September 6, 2019

To
Department of Corporate Services
BSE Limited
P. J. Towers, Dalal Street
Fort, Mumbai - 400 001
Scrip Code: **BSE - 524500**

To
Corporate Listing Department
National Stock Exchange of India Ltd
Exchange Plaza, Plot No.C-1, G Block,
BKC, Bandra (E), Mumbai 400 051
Scrip Code: **NSE - KILITCH**

Sub: Annual Report for the Financial Year 2018-19 & Notice of 27th Annual General Meeting of the Company

Dear Sir/Madam,

Pursuant to the provisions of Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 please find enclosed the Annual Report of Kilitch Drugs (India) Limited ('the Company), for the financial year 2018-19, along with Notice of 27th Annual general meeting of the Company which is to be held on Monday, 30th September, 2019.

Kindly take the same on your records.

Thanking You,

Yours faithfully,
For ***Kilitch Drugs (India) Limited***

KILITCH DRUGS (INDIA) LTD

Harshal Patil
Company Secretary

Encl: as above

ISO 9001:2008 13485:2003 WHO CERTIFIED EXPORT HOUSE INDIA Pharmacy of the World

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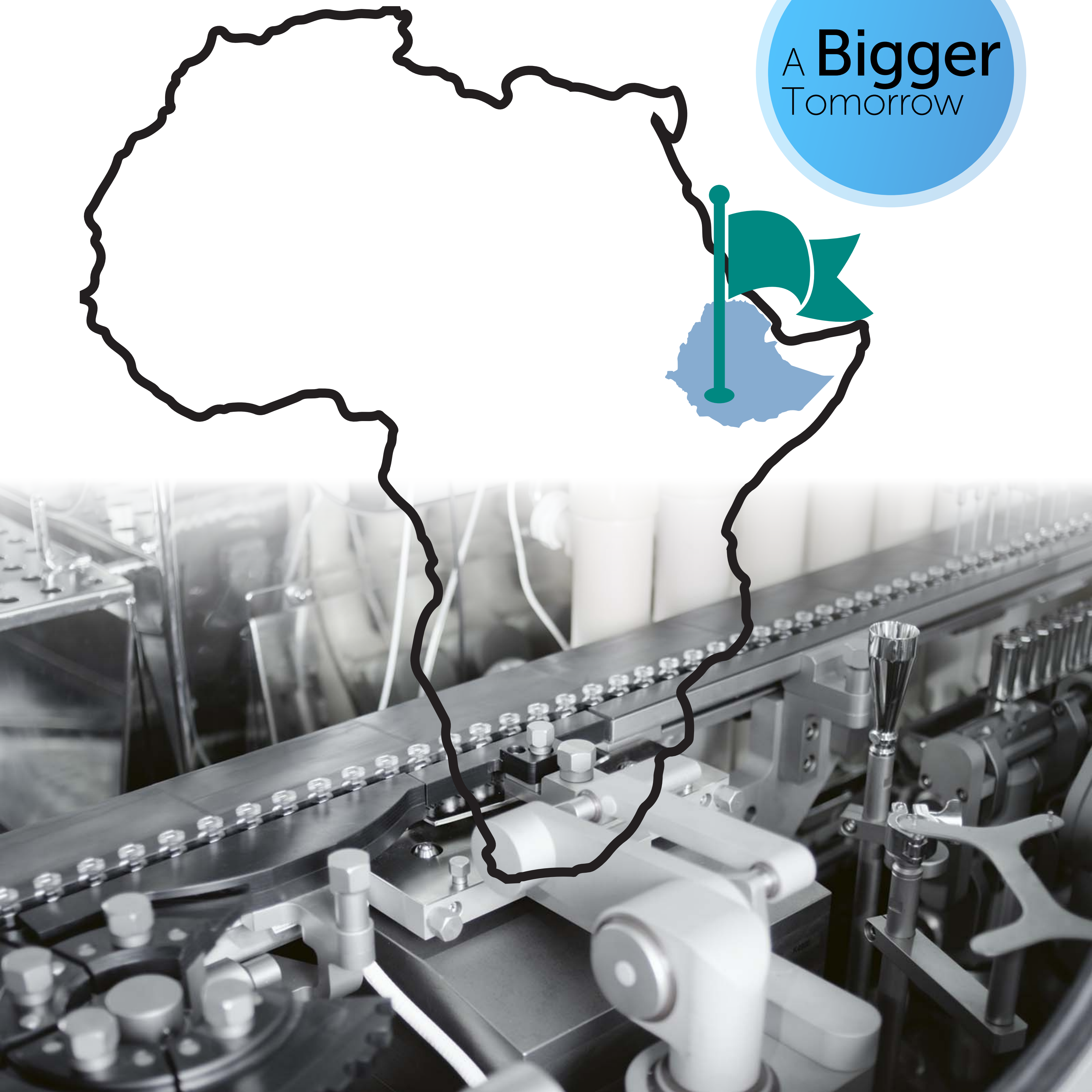
Annual Report

KILITCH DRUGS (INDIA) LTD.

A Bigger Tomorrow



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Visit:
www.kilitch.com
to view our report online

Corporate Information

Kilitch Drugs (India) Limited

Registered Office:

C-301/2, MIDC,
TTC Industrial Area, Pawane Village,
Navi Mumbai - 400 705.

Tel.: 022-27670322, 27680913

Fax: 022-27680912

Administrative Office:

37, Ujagar Industrial Estate, W.T. Patil Marg, Deonar, Mumbai - 400 088.

Tel.: 022-61214100, **Fax:** 022-67031658

Website: www.kilitch.com
Email: info@kilitch.com

Bankers

Kotak Mahindra Bank Ltd

Shamrao Vithal Co-op Bank Ltd

State Bank of India

Axis Bank Ltd

Registrar & Share Transfer Agents

Link Intime India Private Limited

C-101, 247 Park, LBS Marg,

Vikhroli (West), Mumbai - 400 083.

Tel.: 022-49186000

Fax: 022-49186060

Board of Directors

Mr. Mukund P. Mehta
Managing Director

Mr. Bhavin Mukund Mehta
Whole time Director

Mrs. Mira B. Mehta
Whole time Director

Mr. Hemang Engineer
Independent Director

Prof. Vasudev Krishna Murti
Independent Director

Mr. Venkita Subramanian Rajan
Independent Director

Auditors

A. M. Ghelani & Co.
Chartered Accountants

Secretarial Auditors

Deep Shukla & Associate
Company Secretaries

Chief Financial Officer

Mr. Sujit Kumar Dash
(Appointed w.e.f. 12th February, 2019)

Company Secretary and Compliance Officer

Mr. Harshal A. Patil

A Bigger Tomorrow is UNFOLDING

Sustained excellence for the future

At Kilitch, we have achieved 90% growth in revenue in 2018-19. Besides this achievement, we have created an opportunity of phenomenal growth as we will start operations of the first ever cephalosporin manufacturing plant in Ethiopia, Africa.

The upcoming unit will have a capacity of 20 million vials. Besides vials, the plant will also produce tablets, capsules and dry syrup.

Our first mover advantage should enable us to gain a significant share of the profitable African market.

Phase I

The company is building a cephalosporin manufacturing facility at Oromia, Addis and the facility will be commissioned during the current fiscal.

Phase II

The company is evaluating other opportunities and strategizing new plans for expansion.

Letter from the Managing Director

" This is the Second consecutive year of such robust growth. Powering our performance is the upcoming state of the art Cephalosprin injectable plant, first of its kind in Ethiopia."

Mr. Mukund P. Mehta
Managing Director

Dear Shareholders,

I am delighted to share that we reported excellent progress and better efficiencies across all our function during FY 2018-19. In 2018-19, we made progress in the execution of our strategic blueprint for the next decade that I shared with you last year. This lays out the path for Kilitch to transform into an innovation led global pharmaceutical company.

During the financial year 2018-19 our sales climbed to record highs, surging to Rs. 96.42 Crores as against 50.46 Crores in the previous year, a growth of 91%. This is the second consecutive year of such robust growth.

Powering our performance is the upcoming state of the art Cephalosporin injectable plant, first of its kind in Ethiopia, which we intent to commercialise during this fiscal year.

We have now been granted 5,700 sq mtr of additional land hence total land allocated is 12,400 sq. mtr for aforesaid expansions. These expansions would ensure volume growth and better profitability going ahead.

Our sales in French speaking west African Countries growing over 30% year of year is another feather in our cap. This has a very sustainable and promising future in the years to come. Strong product branding and focus on making available a wide range of innovative and well accepted products has fueled this growth.

Quality is of utmost importance to us and every member of the team ensures that we remain at the top of the quality and compliance curve.

None of this would have been possible without the hard work, dedication and ingenuity of our employees and the support of investors. I am grateful for putting your faith in our vision and strategy.

Warm Regards,
Mukund P. Mehta
Managing Director

Total Revenue (₹ in Crores)	EBITDA (₹ in Crores)	PAT (₹ in Crores)
100.93	21.11	14.77

Africa – Business Revolution

GLOBAL BUSINESS LEADERS WHO MISUNDERSTAND AFRICA RUN THE RISK OF MISSING OUT ON ONE OF THE 21ST CENTURY'S GREAT GROWTH OPPORTUNITIES.

Africa is bigger than you think – it dwarfs China , Europe , the United States and India. Africa's land area exceeds that of China , Europe and the United States combined . A historic economic shift is under way , like in Europe and North America in the 19 th century or Asia in the 20th .

Its 54 countries have a collective population of 1.2 billion . It has over a thousand languages and huge diversity in income levels , resource endowment , infrastructure development , educational attainment and business sophistication.

Its one thing to get a handle on the physical map of Africa, but its an even greater challenge to create an accurate mental map of the continent. In our experience the instinct of most business people is to underestimate Africa's size and potential as a market and overestimate the challenges of doing business. We don't pretend that Africa is an easy place to do business, given its geographic complexity, infrastructure gaps and relative economic and political volatility. Africa is on the cusp of transformative growth, which explains why its worth the effort.

Companies that get in early and shape the right strategy can sustain huge profit and growth over decades. Africa's vast unmet needs and unfulfilled demand makes it a continent ripe for entrepreneurship and innovation at scale.

KILITCH SEES AFRICA AS A MAJOR GROWTH MARKET AND PLANS TO EXPAND ITS AFRICAN FOOTPRINT.

Ethiopia At A Glance

Ethiopia's location gives it strategic dominance as a jumping off point in the Horn of Africa, close to the Middle East, Asia and its markets. Africa's second most populous nation with a population size close to 100 million.

With a vision to become the leading manufacturing hub in Africa. Ethiopia offers a remarkable competitive advantage for manufacturing industries due to government facilitation of efficiency enhancing investment solutions.

- Large pool of trainable work force available at competitive wages
- Cheapest energy rate on a global standard
- Geographical proximity and preferential access to key markets
- Abundance of high- quality industrial raw material
- Member of COMESA with preferential market access to a regional market of 400 million people.
- Stable and conducive macroeconomic environment
- An average of about 11% annual GDP growth for the last 14 years , one of the fastest growing economies in the world during the same period.

PHARMACEUTICALS IS THE TOP PRIORITY AREA FOR INVESTMENT.

KILITCH DRUGS (INDIA) LTD.

Making Medicines, Making a Difference

Our diverse portfolio of drugs spread across therapies and geographies is the result of our uncompromising commitiment to research, quality and manufacturing

KILITCH DRUGS (INDIA) LTD.

Global Business Overview

Africa

- Our presence of over 15 year in Africa has provided us deep market insights.
- We are fully conversant with the market conditions across African countries and also the Local medical requirements, thus positioning us well to expand our African footprints.

South East Asia

- We have successfully forayed several Asian countries.
- There is immense opportunities in these emerging markets, fueled by the expanding middle class and a rise in personal income.

Growth Markets

- Expansion into select markets of CIS countries, Middle East and Latin America.
- Market products through Local distributors and transfer of technology to manufacturing units in emerging markets.

Enhancing access at low cost

At Kilitch we believe in delivering a sustainable business with long term revenue growth. Kilitch also recognises its commitment to provide affordable medicine to those who need them. The company has adopted an integrated approach to procurement, supply chain and operations.

Procurement levers

Adopt measures to identify opportunity across:

- Raw materials API, Excipients, Solvents
- Packaging material (procurement and specs)
- Traded products
- Indirect spend (promotional spend, R&D spend, etc.)
- Services (eg. logistics, Insurance, etc.)
- Corporate administration

Operations, supply chain and quality levers

Analytics led yield and process parameters optimisation

- Conversion cost optimisation
- Working capital optimisation
- Capex optimisation
- Reduced testing of raw materials, packing materials and finished products

Structural/business model levers

Shifts in operating model across manufacturing, supply chain and marketing

- Outsourcing of products services
- Exit opportunities to drive better value
- Partnering with 3 rd party organisations
- Automation to reduce wastage

KILITCH DRUGS (INDIA) LTD.

Creating an Enriched Experience for all at Kilitch

As an organisation, we believe that our success relies on the collective success of our people. The Kilitch philosophy inculcates the spirit of entrepreneurship amongst its people by empowering them with the freedom to drive business outcomes independently.

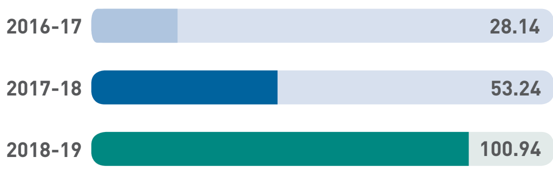
Swachh Bharat Initiatives at Kilitch

By inviting people to participate in the drive, the Swachhta Abhiyan has turned into a national movement. A sense of responsibility has been evoked among the people through the clean India Movement.

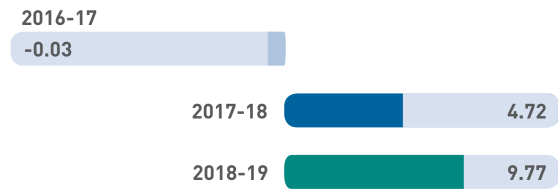
At Kilitch, people from all departments at our plant and head office have come forward and joined this movement of cleanliness. Taking the broom to sweep the streets, cleaning up the garbage, focusing on sanitation and maintaining a hygienic environment is a practice amongst all at Kilitch.

Financial Highlights

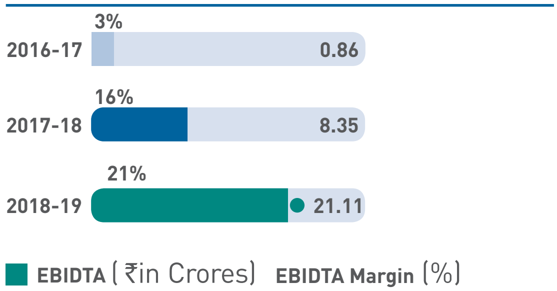
Total Income (₹ in Crores)



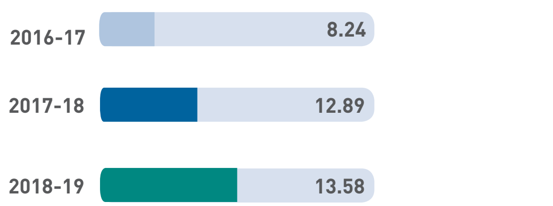
RONW (%)



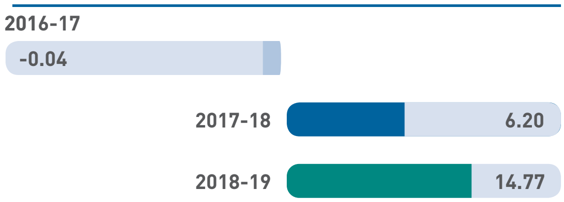
EBIDTA and EBIDTA margin



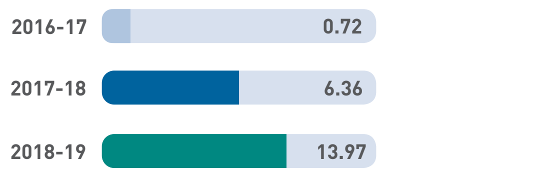
Net Margin (%)



Net Profit (Loss) (₹ in Crores)



ROCE (%)



Cash Profit (₹ in Crores)

Management Discussion and Analysis

Industry Structure and developments Global

The pharmaceutical industry is one of the most innovative sectors in the world and has played a unique role in developing new and improved medicines to address unmet healthcare needs. The market for pharmaceuticals is growing rapidly. According to Quintiles IMS Institute, the pharmaceutical market is estimated to reach US$ 1,485 Billion by 2021 from US$ 1,105 Billion in 2016. The growth is likely to be driven by market expansion in pharmerging countries and rising ageing population in developed countries. Total spending on medicines is forecasted to reach US$ 1.5 trillion by 2021 which demonstrates an average annual growth rate of 4-7% in medication expenses over the next five years. The United States will record the largest growth followed by pharmerging markets. The U.S.A share of global spending will increase from US$ 461.7 Billion in 2016 to US$ 645-675 Billion in 2021, while the European share of spending will grow from US$ 151.8 Billion to US$ 170-200 Billion. Moreover, pharmerging countries will spend US$ 315-345 Billion in 2021 from US$ 242.9 Billion in 2016. Increasing urbanisation, growing middleclass, improved affordability of generic drugs and rising global population and its ageing are driving the higher demand for medication.

India

India is the third largest pharmaceutical manufacturer in the world in terms of volume. The country is the largest provider of generic drugs globally. India's pharmaceuticals exports stood at US$ 17.27 Billion in FY 2017-18 and are expected to reach US$ 20 Billion by 2020. Though the sector slowed down during the year under review due to implementation of GST, the longterm outlook remains stable.

Contract manufacturing is a strong segment of the domestic market. India has evolved to be a top generic pharmaceutical player in export market by producing and supplying superior quality pharmaceuticals at reasonable prices. The Indian pharmaceutical market has progressed tremendously on infrastructure, technology, product range, compliant manufacturing facilities as well as high standards of purity, stability and safety. Moreover, the active ingredients manufactured and supplied by Indian pharmaceutical companies pass through stringent assessments by regulatory authorities in the importing countries. Availability of adequate compliant facilities in the country, rise in production approvals/ licenses and supply contracts with overseas companies and
changing preferences for generic compositions in regulated markets are the factors stimulating contract manufacturing in India. Going forward, contract research and manufacturing industry is expected to witness a strong growth.

Opportunities and Treats

The African pharmaceutical industry is the fastest growing in the world and is expected to reach US$ 45 Billion by 2020. It offers significant growth potential for multinational pharmaceutical companies propelled by rapid urbanisation, increased healthcare spending and investment and increasing incidence of chronic lifestyle diseases. The tropical climate of Africa along with the changing lifestyles has led to a significant rise in the outbreak of communicable as well as non-communicable diseases (NCDs). This, in turn is driving the demand for chronic prescription drugs in Africa. According to the World Health Organisation (WHO), the proportional contribution of NCDs to the healthcare burden is estimated to rise by 21% by 2030 in Africa. However, limited affordability of government and the general population for healthcare and pharmaceuticals, high reliance on donor funding, rising poverty and lack of health literacy are some of the market challenges impeding the growth of pharmaceutical market in Africa. Ethiopia is the second most populous country in Africa and one of the fastest growing economies of the world. Having a population of over 100 Million people and a growth rate of 2.3% per year, Ethiopia has a vision to become the leading pharmaceutical manufacturing hub in Africa. The Government of Ethiopia has identified pharmaceutical manufacturing as priority sector by providing various incentives, announcement of investor friendly policies, creation of trainable workforce and setting of a state-of-the-art industrial park specialised in pharmaceutical manufacturing in Ethiopia. The disease burden, rising healthcare coverage and population makes Ethiopia an attractive market. With these facilitative developments, the Ethiopian pharmaceutical market is expected to grow at 15% per year and touch nearly US$ 1 Billion by 2020.

Segment-wise or Product-wise performance

The launch of the effervescent tablets range has turned out to be a boon in the previous year and the same has added up to the list of highly potential products in our basket. The effervescent range shall be the flag bearer for years to come. In the antibiotics sector we have a strong foothold and we continue to do so.

Outlook

Kilitch Drugs (India) Limited is a speciality pharmaceutical company engaged in the development and offering of quality pharmaceutical solutions. Giving shape to its innovationled vision is its world-class state-of-the-art manufacturing plant at Mumbai with a dedicated dry powder section, small volume liquid ampoules and vial. Its diversified portfolio includes products for Parental Solutions, Effervescent Tablets, Nutritional Products and Medical Devices. With an industry presence of over three decades and uncompromised commitment to quality, the Company has emerged to be a leading exporter of branded pharmaceutical products to Africa and few Asian countries. In India, the Company undertakes contract manufacturing from some of the largest pharmaceutical companies. The Company is focused on the well-being of people through its commitment to excellence and patient and market-centric innovation approach. It has a robust presence in Frenchspeaking countries of Africa and has also expanded its footprint across key African countries. The Company's vast knowledge about African market and its local medical requirements has led to the opening of office and manufacturing plant in Ethiopia. This unit is likely to produce tablets, capsules and dry syrup and has the potential to garner a significant share of the profitable African market.

Risks and Concern

The Risk management framework at Kilitch identifies, evaluates and addresses the potential risks involved in the Company's business. The key risks faced by the Company and their mitigation strategies include:

- Foreign Exchange Fluctuation Risk
- Political Uncertainty/ Volatility Risk
- Competition Risk
- Regulatory Risk

Internal Control System and their adequacy

The internal control systems of the Company are commensurate with the size of its business and nature of its operations. The Company has a well-defined and adequate internal control mechanism to ensure safeguarding of assets, reliability of financial and operational information and compliance with all the applicable laws and statutes. All the functions and processes are regularly reviewed by the internal auditors. The Audit Committee of the Board reviews the findings and recommendations of the internal auditors on a periodic basis and discusses corrective actions with the management.

DIRECTORS' REPORT

To,
The Members,
KILITCH DRUGS (INDIA) LIMITED

Your Directors have pleasure in presenting their 27th Annual Report on the business and operations of your Company for the year ended 31st March 2019.

1. FINANCIAL RESULTS

The summarized financial performance (Standalone & Consolidation) of the Company for the financial year ended 31st March 2019 and 31st March 2018, are given below:

[Amount in Lakhs]

Particulars	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Revenue from Operations	9,641.76	5,045.78	8,248.99	5,101.18
Other Income	451.82	277.91	400.40	287.54
Total Revenue	**10,093.58**	**5,323.69**	**8,649.39**	**5,388.72**
Total Expenses	8,141.11	4,608.05	7,790.73	4,777.45
Profit/(Loss) before exceptional and extraordinary items and tax	**1,952.47**	**715.64**	**858.66**	**611.27**
Exceptional Items	-	-	-	-
Extraordinary Items	-	-	-	-
Net Profit Before Tax	**1,952.47**	**715.64**	**858.66**	**611.27**
Provision for Tax - Current Tax - Deferred Tax (Liability)/Assets	 424.08 51.66	 33.48 62.57	 424.08 51.60	 33.48 62.55
Net Profit After Tax	1,476.73	619.59	382.98	**515.24**
Profit/(Loss) from continuing operations	**1,476.73**	**619.59**	**382.98**	**515.24**
Other Comprehensive Income (After Tax)	(105.69)	66.81	(105.69)	66.81
Total Comprehensive income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period)	1,371.04	686.40	277.29	582.05
Paid up Equity Share Capital (Face Value Rs. 10/- per Share)	1,535.52	1,373.18	1,535.52	1,373.18
Other Equity	13,572.84	11,746.37	10,570.21	9,829.55
Earning per share (for continuing operation) (Amount in Rs.)				
- Basic	10.06	4.68	2.61	3.89
- Diluted	10.06	4.40	2.61	3.66

2. REVIEW OF OPERATIONS

Standalone : -

During the year under review, the Company has posted total Income of Rs. 10,093.58 Lakhs as against Rs. 5,323.69 Lakhs for the corresponding previous year.

Further, total Comprehensive income for the period was Rs. 1,371.04 Lakhs as against Rs. 686.40Lakhs for the corresponding previous year.

Consolidated: -

During the year under review, the Company has posted total Income of Rs. 8,649.39 Lakhs as against Rs. 5,388.72 Lakhs for the corresponding previous year.

Further, total Comprehensive income for the period was Rs. 277.29 Lakhs as against Rs. 582.05Lakhs for the corresponding previous year.

3. STATEMENT OF AFFAIRS AND FUTURE OUTLOOK

As you all are well aware that Africa is our focused market and the sales from these African regions where we have penetrated is on a rising scale. Since previous 3 quarters ending with 30th June 2019, our sales in Sudan along with few other African region have suffered due to heavy political turmoil along with financial crises which has affected our growth in sales. We are pleased to bring to your notice that the civilian Government in Sudan assumed its responsibility towards the development and situation is getting back to its normalcy. Demand for pharmaceutical product were increased & Orders are pouring in substantial quantities. The growth in revenue will be reflected in this shall be well witnessed in the second quarter of this financial year and henceforth.

Our dream project in Ethiopia is under final stage of completion. Civil construction is nearly over and machinery installation are rapidly progressing. We are hopeful to start our commercial operation of our Ethiopian plant in financial year 2019-2020.

As we are growing in African market, we have recognize the need to improvised products with better R & D facility, increase the efficiency in operations along with developing new medicines to meet the market needs.

As we are standing with our heads high with this belief that with your endless support in this, the company is determined to claim substantial share in African market by leveraging and analyzing regularity and technical capabilities and with this we anticipate that we will reach another milestone with all time highest export sales for our organization.

4. MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report, which gives a detailed state of affairs of the Company's operations forms part of this Annual Report.

5. DIVIDEND AND RESERVES

Your Directors have recommended a dividend of 5% (Re. 0.50/-per Equity Share of face value of Rs. 10/- each) on the Equity Shares out of the profits of the Company for the financial year 2018-19.

6. SHARE CAPITAL

The Paid-up Equity Share Capital of the Company as on 31st March 2019 is Rs. 1535.52 Lakhs, comprising of 15355242 Equity Shares of Rs. 10/- each as against Rs. 1373.18 Lakhs, comprising of 13731828 Equity Shares of Rs. 10/- each in the previous year.

The Board of Directors at their meeting held on 13th August 2018 approved the allotment of 23414 Equity Shares pursuant to exercise of option granted to employees of the Company under ESOS Scheme.
Further, the Board has allotted 16,00,000 Equity Shares to the promoters of the Company on conversion of warrants issued by the Company on 31st August 2018.

7. EMPLOYEE STOCK OPTION SCHEME

The Company, under the Scheme (KDIL ESOS 2007) approved by the shareholders vide a special resolution as on 29th September 2007 and amended from time to time with their approval grants share based benefits to eligible employees with a view to attracting and retaining the best talent, encouraging employees to align individual performances with Company Objectives, and promoting increased participation by them in the growth of the Company.

The following disclosures are being made upto 31st March 2019 as required under Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014:

Sr. No.	Particulars	Options
a	Options Outstanding at the beginning of the year	175243
b	options granted	48529
c	options vested	57818
d	options exercised / settled	23414
e	the total number of shares arising as a result of exercise of option	23414
f	options lapsed	38604
g	the exercise price	Rs.10/-
h	variation of terms of options	-
i	money realized by exercise of options	Rs. 2,34,140/ -
j	total number of options in force	161754

k	employee wise details of options granted to:-	
	(i) key managerial personnel	
	*1.Shailesh Mirgal -CFO	1914
	**2. Sujit Kumar Dash-CFO	8027
	3. Harshal Patil- Company Secretary & Compliance Officer	2207
	(ii) any other employee who receives a grant of options in any one year of option amounting to five per cent or more of options granted during the year	-
	(iii) identified employees who were granted option, during any one year, equal to or exceeding one per cent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of the grant	-

*Resigned w.e.f. 04 -02-2019
**Appointed w.e.f. 12-02.2019

8.DIRECTORS AND KEY MANAGERIAL PERSONNEL

➢ **Inductions /Appointment or Re-appointment of Director**

At the 26th Annual General Meeting held on 27th September 2018, Mr. Mukund Mehta was re-appointed as Director of the Company liable to retire by rotation.

Further, on the recommendations of the Nomination and Remuneration Committee, the Board of Directors had appointed Mrs. Mira Mehta as the Whole-time Director at their meeting held on 7th November 2018 for a further period of 5 years w.e.f. 14th November 2018.
The said resolution for confirming the appointment of Mrs. Mira Mehta as Whole-time Director for a further period of 5 years, forms part of the Notice convening the 27th Annual General Meeting ('AGM') scheduled to be held on 30th September 2019. We seek your support and hope you will enthusiastically vote in confirming her appointment to the Board.

Mr. Venkita Subramanian Rajan, an independent Director has attended age of 75 years required special resolution for continuing his re-appointment. The resolution for confirming continuation of his appointment of Mr. Venkita Subramanian Rajan as an Independent Director, forms part of the Notice convening the 27th Annual General Meeting ('AGM') scheduled to be held on 30th September 2019. We seek your support and hope you will enthusiastically vote in confirming his appointment to the Board.

➢ Cessation
We regret to inform you that Mr. Ramesh Modi who was associated with organisation since 2015 has expired on 22nd August 2018. The board has appreciated the work performed by him during his tenure. We may hope that his soul rest in peace. Further, Mr. Shailesh Chheda, Independent Directors, has tendered their resignation from office of directorship of the Company with effect from 1st October 2018. The Board expresses its gratitude towards Mr. Shailesh Chheda for his contributions to the Company. The Board acknowledges that the Company has immensely benefitted from his profound knowledge and experience in the Pharma industry.

➢ **Retire by Rotation**

In accordance with section 152(6) of the Companies Act, 2013 and in terms of Articles of Association of the Company Mr. Bhavin Mehta (DIN:00147895),Whole time Director of the Company, retires by rotation and being eligible; offers himself for re-appointment at the forthcoming 27th Annual General Meeting. The Board recommends the said reappointment for shareholders' approval.

All the directors of the Company have confirmed that they satisfy the fit and proper criteria as prescribed under the applicable regulations and that they are not disqualified from being appointed as directors in terms of Section 164(2) of the Companies Act, 2013.

➢ **Key Managerial Personnel**

During the year under review, Mr. Shailesh Mirgal tendered his resignation from post of Chief Financial Officer of the Company w.e.f. 4th February 2019. Further, The Board has appointed Mr. Sujit Kumar Dash, in his place as the Chief Financial Officer of the Company w.e.f. 12th February 2019.

Pursuant to Section 203 of the Companies Act, 2013, Key Managerial Personnel of the Company as on 31st March 2019, details are as under:

Sr. No.	Name of KMP	Designation
1.	Mr. Mukund Pratapray Mehta	Managing Director
2.	Mr. Bhavin Mukund Mehta	Whole - time Director
3.	Mrs. Mira Bhavin Mehta	Whole - time Director
4.	Mr. Harshal Anant Patil	Company Secretary and Compliance Officer
5.	Mr. Sujit Kumar Dash	Chief Financial Officer

9. INDEPENDENT DIRECTORS

The Independent Director(s) have submitted their disclosure to the Board that they fulfill all the requirements as to qualify for their appointment as Independent Director, under the provisions of section 149 of the Companies Act, 2013 as well as Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

10. DISCUSSIONS WITH INDEPENDENT DIRECTORS

The Board's policy is to regularly have separate meetings with Independent Directors, to update them on all business related issues, new initiatives and changes in the industry specific market scenario. At such meetings, the Executive Directors and other Members of the Management make presentations on relevant issues. the policy for Familiarisation Programme for Independent Directors is available on our website www.kilitch.com.

11. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Committees. The Directors expressed satisfaction with the evaluation process. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

12. NUMBER OF BOARD MEETINGS

A calendar of meetings is prepared and circulated in advance to the Directors. During the year, 6 (Six) Board Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015.

Further, Committees of the Board usually meet on the same day of formal Board Meeting, or whenever the need arises for transacting business. The recommendations of the Committees are placed before the Board for necessary approval and noting.

13. COMPOSITION OF AUDIT COMMITTEE

Your Company has formed an Audit Committee as per the Companies Act, and the Listing Agreement / SEBI (LODR) Regulations, 2015. All members of the Audit Committee possess strong knowledge of accounting and financial management. Further, the Audit Committee is functional as per the provision of Section 177 of Companies Act, 2013 and Rules made thereunder and as per Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The other details of the Audit Committee are given in the Corporate Governance Report, appearing as a separate section in this Annual Report.

14. COMPOSITION OF NOMINATION & REMUNERATION COMMITTEE

Your Company has formed a Nomination & Remuneration Committee to lay down norms for determination of remuneration of the executive as well as non-executive directors and executives at all levels of the Company.

The other details of the Nomination & Remuneration Committee are given in the Corporate Governance Report, appearing as a separate section in this Annual Report.

15. NOMINATION AND REMUNERATION POLICY

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors. This policy also lays down criteria for selection and appointment of Board Members. The details of this policy are provided as Annexure- I to this Report and also available on the website of the Company www.kilitch.com.

Details of remuneration paid to Directors and Key Managerial Personnel are given in the Corporate Governance Report along with shareholding in a Company.

16. COMPOSITION OF STAKEHOLDERS RELATIONSHIP COMMITTEE

Your Board has constituted a Stakeholders Relationship Committee to specifically look into the mechanism of redressal of grievances of shareholders etc. The Committee reviews Shareholder's / Investor's complaints like non-receipt of Annual Report, physical transfer/ transmission/transposition, split/ consolidation of share certificates, issue of duplicate share certificates, etc. This Committee is also empowered to consider and resolve the grievance of other stakeholders of the Company including security holders.

The other details of the Stakeholders Relationship Committee are given in the Corporate Governance Report, appearing as a separate section in this Annual Report.

17. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) & 134(5) of the Companies Act, 2013, the Board of Directors of the Company hereby confirm that:
(a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors have prepared the annual accounts on a going concern basis; and

(e) the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

(f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

18. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURE

The information required pursuant to Section 197 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 in respect of employees of the Company, is enclosed as **Annexure II** and forms part of this Report.

Further, no employee of the Company is earning more than the limits as prescribed pursuant to Section 197 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 in respect of employees of the Company.

Further, the names of top ten employees in terms of remuneration drawn are disclosed in **Annexure III** and forms part of this Report.

19. EXTRACT OF ANNUAL RETURN

The details forming part of the Extract of the Annual Return in Form MGT-9, as required under Section 92 of the Companies Act, 2013 is included in this Report as **Annexure IV** and forms part of this Report.

20. DETAILS OF SUBSIDIARY/JOINT VENTURES/ ASSOCIATE COMPANIES

The Company has 2 subsidiaries as on 31th March 2019. During the year, the Board of Directors reviewed the affairs of material subsidiaries. In accordance with Section 129(3) of the Companies Act, 2013, the Company has prepared consolidated financial statements of the Company and all its subsidiaries, which form part of the Integrated Report. Further, the report on the performance and financial position of each subsidiary and salient features of the Financial Statements in the prescribed Form AOC-1 is annexed to this report as an **Annexure V.**

In accordance with the provisions of Section 136 of the Companies Act, 2013 and the amendments thereto, the audited Financial Statements, including the consolidated financial statements and related information of the Company and financial statements of the subsidiary companies will be available on our website www.kilitch.com. These documents will also be available for inspection during business hours at the Registered Office of the Company.

None of the company have become or ceased to be subsidiaries, joint ventures and associates during the year under review.

21. STATUTORY AUDIT

Under Section 139 of the Companies Act, 2013 and the Rules made thereunder, it is mandatory to rotate the statutory auditor on completion of the maximum term permitted under the said section. In line with the requirement of the Companies Act, 2013, M/s. A. M. Ghelani & Co., Chartered Accountants (Firm Registration No.103173W) were appointed as the statutory auditor of the Company to hold office for a period of four consecutive years from the conclusion of the 25th Annual General Meeting of the Company held on 29th September 2017, till the conclusion of the 29th Annual General Meeting to be held in the year 2021.

In terms of the provisions relating to statutory auditors forming part of the Companies Amendment Act, 2017, notified on 7th May 2018, ratification of appointment of Statutory Auditors at every Annual General Meeting is no more a legal requirement. However, pursuant to Ordinary Resolution passed at the 25th Annual General Meeting, appointment shall subject to ratification at every annual general meeting.

Hence, the Notice convening the ensuing 27th Annual General Meeting contained a resolution on ratification of appointment of Statutory Auditors. Further, M/s. A. M. Ghelani & Co., Chartered Accountants (Firm Registration No. 103173W), has confirmed that they are eligible to continue as Statutory Auditors of the Company to audit the books of accounts of the Company for the Financial Year ending 31st March 2020 and they will continue to be the Statutory Auditors of the Company for Financial Year ending 31st March 2021.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer.

22. SECRETARIAL AUDIT

In terms of Section 204 of the Act and Rules made there under, M/s. Deep Shukla, Practicing Company Secretary, have been appointed Secretarial Auditors of the Company. The Secretarial Audit Report is enclosed as **Annexure VI** to this report.

The Secretarial Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer.

23.COST AUDIT

As per the Cost Audit Orders and in terms of the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, Cost Audit is not applicable to our Company.

24.INTERNAL AUDIT & CONTROLS

The Company has in place adequate internal financial controls with reference to the financial statement. The Audit Committee of the Board periodically reviews the internal control systems with the management, Statutory Auditors. Significant internal audit findings are discussed and follow-ups are taken thereon.

The Board of Directors has appointed M/s. ABB & Associates, Chartered Accountants, (Firm Registration No: 116615W), as an Internal Auditor of the Company .

25. VIGIL MECHANISM

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at www.kilitch.com. The employees of the Company are made aware of the said policy at the time of joining the Company.

26. RISK MANAGEMENT POLICY

The Company has laid down the procedure to inform the Board about the risk assessment and minimization procedures. These procedures are reviewed by the Board annually to ensure that there is timely identification and assessment of risks, measures to mitigate them, and mechanisms for their proper and timely monitoring and reporting.

The Company does not fall under the ambit of top 100 listed entities, determined on the basis of market capitalisation as at the end of the immediately preceding financial year. Hence, compliance under Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable.

27. DEPOSITS

The Company has neither accepted nor renewed any fixed deposits during the year under review under Section 76 of the Companies Act, 2013. There are no unclaimed deposits, unclaimed / unpaid interest, refunds due to the deposit holders or to be deposited to the Investor Education and Protection Fund as on 31st March 2019.

28. LOANS & GUARANTEES

During the year under review, your Company made loans and investments in compliance with Section 186 of the Companies Act, 2013. However, no guarantee given and security provided by the Company. The said details are given in the notes to the financial statements.

29. INSURANCE

The properties/assets of the Company are adequately insured.

30. RELATED PARTY TRANSACTIONS

During Financial Year 2018-19, the Company entered into certain Related Party Transactions which are in the ordinary course of business and at arm's length basis, with approval of the Audit Committee. The Audit Committee grants omnibus approval for the transactions which are of foreseen and repetitive nature. A detailed summary of Related Party Transactions is placed before the Audit Committee and the Board of Directors for their review every quarter.

There are no materially significant Related Party Transactions executed between the Company and its Promoters, Directors, key Managerial Personnel or other designated persons, that may have a potential conflict with the interest of the Company at large.

Since all Related Party Transactions entered into by the Company were in ordinary course of business and were on an arm's length basis, the particulars as required in form AOC-2 have not been furnished.

In the preparation of financial statements, the Company has followed the applicable Accounting Standards. The significant accounting policies that are applied have been set out in the Notes to Financial Statements.

31. CORPORATE GOVERNANCE CERTIFICATE

We ensure that, we evolve and follow the corporate governance guidelines and best practices sincerely, not only to boost long-term shareholder value, but also to respect minority rights. We consider it our inherent responsibility to disclose timely and accurate information regarding our operations and performance, as well as the leadership and governance of the Company.

In compliance with Regulation 34(3) read with Schedule V(C) of the SEBI (LODR) Regulations, 2015, a Report on Corporate Governance forms part of this Annual Report. The Certificate as issued by Practicing Company Secretary certifying compliance with the conditions of corporate governance as prescribed under Schedule V(E) of the SEBI (LODR) Regulations, 2015, is annexed to the Corporate Governance Report.

32. CORPORATE SOCIAL RESPONSIBILITY

As per audited financial statement for the year ended 31st March 2018, the company requires to constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.

Hence, the Board of Directors at their meeting held on 25thMay, 2018, constituted Corporate Social Responsibility Committee to discharge their social responsibility as a corporate citizen,in pursuant Section 135 of Companies Act, 2013, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The Corporate Social Responsibility Committee has formulated the CSR Policy of the Company. The same is annexed to this report as **Annexure VII** and is available on companies website www.kilitch.com.
Details of composition of the Committee are as under:

S.N	Name of Directors	Executive/Non-Executive Independent
1.	Mr. Bhavin Mehta	Executive
2.	Mrs. Mira Mehta	Executive
3.	Mr. Murti Vasudev Krishna	Non-Executive Independent

The detail report on CSR expenditure done by company is annexed to this report as **Annexure VIII** .

33. CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

(A) Conservation of Energy:

i. steps taken or impact on conservation of energy;

The use of energy is being optimized through improved operational methods. Continuous efforts are being made to optimize and conserve energy by improvement in production process. Even though its operations are not energy-intensive, significant measures are taken to reduce energy consumption by using energy-efficient equipments. The Company regularly reviews power consumption patterns in its all locations and implements requisite improvements/changes in the process in order to optimize energy/ power consumption and thereby achieve cost savings.

ii. Steps taken for utilizing alternate sources of energy;

The steps taken by the Company for utilizing alternate sources of energy: The Company is using electricity as the main source of energy and is currently not exploring any alternate source of energy.

iii. Capital investment on energy conservation equipment;

Your Company firmly believes that our planet is in dire need of energy re-sources and conservation is the best policy.

(B) Absorption of Technology:

i. The efforts made towards technology absorption:
The Company values innovation and applies it to every facet of its business. This drives development of distinctive new products, ever improving quality standards and more efficient processes.
The Company has augmented its revenues and per unit price realization by deploying innovative marketing strategies and offering exciting new products. The depth of designing capabilities was the core to our success over the years.
The Company uses the service of in-house designers as well as those of free-lancers in developing product designs as per the emerging market trends. The Company uses innovation in design as well as in technology to develop new products.

ii. Benefits derived as a result of the above efforts:
As a result of the above, the following benefits have been achieved:
a. Better efficiency in operations,
b. Reduced dependence on external sources for technology for

developing new products and upgrading existing products,
c. Expansion of product range and cost reduction,
d. Greater precision,
e. Retention of existing customers and expansion of customer base,
f. Lower inventory stocks resulting in low carrying costs.

iii. The Company has not imported any technology during the year under review;
iv. The Company has not expended any expenditure towards Research and Development during the year under review.

(C) Foreign Exchange Earning And Outgo:
(I) Earnings in Foreign Currency:

[Amount in Lakhs]

Particulars	2018-19	2017-18
Earnings in Foreign Currency:	7974.01	3583.82

(II) Expenditure in foreign currency:

[Amount in Lakhs]

Particulars	2018-19	2017-18
Business Promotion & Travelling	528.91	398.88
Export Registration	158.04	42.09
Export Expenses	1.59	3.30

34. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of the Companies Act, 2013 read with The Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, ('Rules'), the dividends, unclaimed for a consecutive period of seven years from the date of transfer to the Unpaid Dividend Account of the Company are liable to be transferred to IEPF. Further, the shares (excluding the disputed cases having specific orders of the Court, Tribunal or any Statutory Authority restraining such transfer) pertaining to which dividend remains unclaimed for a period of continuous seven years from the date of transfer of the dividend to the unpaid dividend account are also mandatorily required to be transferred to the IEPF established by the Central Government. Accordingly, the Company has transferred eligible Shares to IEPF Demat Account maintained by the IEPF authority within statutory timelines.

The Company has sent individual communication to the concerned shareholders at their registered address, whose dividend remained unclaimed and whose shares were liable to be transferred to the IEPF. The communication was also published in national English and local Marathi newspapers.

Any person whose unclaimed dividend and shares pertaining thereto, matured deposits, matured debentures, application money due for refund, or interest thereon, sale proceeds of fractional shares, redemption proceeds of preference shares, amongst others has been transferred to the IEPF Fund can claim their due amount from the IEPF Authority by making an electronic application in e-form IEPF-5. Upon submitting a duly completed form, Shareholders are required to take a print of the same and send physical copy duly signed along with requisite documents as specified in the form to the attention of the Nodal Officer, at the Registered Office of the Company. The e-form can be downloaded from the website of Ministry of Corporate Affairs www.iepf.gov.in.

Dates of declaration of dividends since 2011-12 and the corresponding dates when unclaimed dividends are due to be transferred to the Central Government are given in the below table.

Financial Year Ended	Date of declaration of Dividend	Amount Remaining unclaimed/ Unpaid as on 31.03.2019 (Rs.)	Last date for claiming unpaid dividend amount (before)	Last date for transfer to IEPF
2011-2012	30/08/2012	85, 99,440/-	03.10.2019	02.11.2019
2017-2018	27/09/2018	2, 07, 611.50/-	02.10.2025	01.11.2025

Shareholders are requested to get in touch with the RTA for en-cashing the unclaimed dividend/interest/principal amount, if any, standing to the credit of their account.

35.OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment at workplace (Prevention, prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year ended 31st March 2019 Company has not received any complaint of harassment.

36.LISTING WITH STOCK EXCHANGE

The Company confirms that it has paid the Annual Listing Fees for the year 2019-20 to BSE and NSE where the Company's Shares are listed.

37.SECRETARIAL STANDARDS

The Company has in place proper systems to ensure compliance with the provisions of the applicable secretarial standards issued by The Institute of Company Secretaries of India and such systems are adequate and operating effectively.

38.HUMAN RESOURCES

Your Company treats its "human resources" as one of its most important assets.

Your Company continuously invests in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway. Your Company thrust is on the promotion of talent internally through job rotation and job enlargement.

39. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There are no significant and material orders passed by the Regulators / Courts / Tribunals which would impact the going concern status of the Company and its future operations.

40. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

During the year under review, there have been no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.

Further, the Board of Directors at their meeting held on 3rd May, 2019 allotted 62239 Equity Shares pursuant to exercise of option granted to employees of the Company under ESOS Scheme.

41. ACKNOWLEDGEMENT

The Directors would like to thank all shareholders, customers, bankers, medical professionals, business associates, suppliers, distributors and everybody else with whose help, cooperation and hard work the Company is able to achieve the results. The Directors would also like to place on record their appreciation of the dedicated efforts put in by the employees of the Company.

For & on behalf of the Board of Directors of
Kilitch Drugs (India) Limited

Mukund Mehta	**Bhavin Mehta**
Managing Director	**Whole -Time Director**
[DIN: 00147876]	[DIN: 00147895]

Place: Mumbai
Date: 22nd August, 2019

Annexure I
NOMINATION AND REMUNERATION POLICY

CONSTITUTION OF COMMITTEE

The Board of Directors of the Company (the Board) constituted the committee to be known as the Nomination and Remuneration/Compensation Committee consisting of three or more non-executive directors out of which not less than one-half are independent directors. The Chairman of the Committee is an Independent Director. However, the chairperson of the company (whether executive or non-executive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee."

OBJECTIVE

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 under the Listing Agreement. The objective of this policy is to lay down a framework in relation to remuneration of directors, KMP, senior management personnel and other employees.

The Key Objectives of the Committee would be:

- To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees.
- To formulation of criteria for evaluation of Independent Director and the Board.
- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- To develop a succession plan for the Board and to regularly review the plan.
- To assist the Board in fulfilling responsibilities.
- To Implement and monitor policies and processes regarding principles of corporate governance.

APPLICABILITY

- Directors (Executive and Non Executive)
- Key Managerial Personnel
- Senior Management Personnel

DEFINITIONS:

"Act" shall mean the Companies Act, 2013 and the Rules made thereunder, including the modifications, amendments, clarifications, circulars or re-enactment thereof.

"Board" means Board of Directors of the Company.

"Committee" means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.

"Company" means Kilitch Drugs (India) Limited.

"Directors" mean Directors of the Company.

"Independent Director" means a Director referred to in Section 149 (6) of the Companies Act, 2013.

"Key Managerial Personnel" means key managerial personnel as defined under the Companies Act, 2013 and includes
– Managing Director, or Executive Director or manager and in their absence, a whole- time director; (includes Executive Chairman)
– Company Secretary;
– Chief Financial Officer; and
– Such other officer as may be prescribed.

"Policy" or **"This policy"** means Nomination and Remuneration Policy.

"Remuneration" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income Tax Act, 1961.

"Senior Management" Senior Management means personnel of the company who are members of its core management team excluding the Board of Directors. This would also include all members of management one level below the executive directors including all functional heads. Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 and the Listing Agreement as may be amended from time to time shall have the meaning respectively assigned to them therein.

Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee:

The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

Policy for appointment and removal of Director, KMP and Senior Management

(i) . Appointment criteria and qualifications

a. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

b. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

c. The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

(ii) Term / Tenure

a. **Managing Director/Whole-time Director:**
The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b. **Independent Director:**
An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on October 1, 2014 or such other date as may be determined by the Committee as per regulatory requirement; he/ she shall be eligible for appointment for one more term of 5 years only.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

c. **Evaluation**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

d. **Removal**

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

e. **Retirement**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

Policy relating to the Remuneration for the Whole-time Director, KMP and Senior Management Personnel

i) **General:**

The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required;

The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act;

Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director;

Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

ii) **Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:**

Fixed pay:

The Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

Provisions for excess remuneration:

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

iii) **Remuneration to Non- Executive / Independent Director:**

Remuneration / Commission:

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Act.

Sitting Fees

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. One Lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

Commission:

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

MEMBERSHIP:-

— The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.

— Minimum two (2) members shall constitute a quorum for the Committee meeting.

— Membership of the Committee shall be disclosed in the Annual Report. Term of the Committee shall be continued unless terminated by the Board of Directors.

CHAIRMAN:-

— Chairman of the Committee shall be an Independent Director;

— Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee;

— In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman;

— Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

FREQUENCY OF MEETINGS

— The meeting of the Committee shall be held at such regular intervals as may be required.

COMMITTEE MEMBERS' INTERESTS

— A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

— The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

SECRETARY

— The Company Secretary of the Company shall act as Secretary of the Committee.

VOTING

— Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

— In the case of equality of votes, the Chairman of the meeting will have a casting vote.

MINUTES OF COMMITTEE MEETING

— Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

IMPLEMENTATION

— The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.

— The Committee may Delegate any of its powers to one or more of its members.

AMENDMENTS TO THE POLICY

— The Board of Directors on its own and / or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when deemed fit.

AMENDMENTS IN THE LAW

— Any subsequent amendment/modification in the listing agreement and/or other applicable laws in this regard shall automatically apply to this Policy.

Annexure II

PARTICULARS OF EMPLOYEES

Information required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016

i. The Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19; and

ii. The percentage increase in remuneration of each Director, Managing Director & Chief Executive Officer, Chief Financial Officer and Company Secretary of the Company in the financial year 2018-19.

Name & Designation	Remuneration of each Director & KMP for the FY 2018 - 19 (Rs.)	Increase / Decrease in Remuneration in the FY 2018 - 19	Ratio of Remuneration of each Directors to median remuneration of employees
A. Directors			
Mukund P. Mehta - Managing Director	60,00,000/-	0.00%	1 : 24.90
Bhavin M. Mehta - Whole Time Director	84,00,000/-	42.37%	1 : 34.86
Mira Bhavin Mehta - Whole Time Director	24,00,000/-	(17.24%)	1 : 09.96
Hemang Engineer - Independent Director	-	-	-
Vasudev Krishna Murti - Independent Director	-	-	-
*Venkita Subramanian Rajan - Independent Director	-	-	-
**Ramesh B. Modi - Independent Director	-	-	-
***Shailesh H. Chheda-Independent Director	-	-	-
B. Key Managerial Personnel			
****Shailesh Mirgal-CFO	4,08, 240/-	8%	1:2.03
*****Sujit Kumar Dash - CFO	2,00,000/-	-	1 :4.98
Harshal Patil-CS	3,39,000/-	4.63 %	1 :1.41

CFO – Chief Financial Officer; CS - Company Secretary.

Notes:

a. Median remuneration of all the employees of the Company for the financial year 2018 -19 is Rs. 2,40,936/- p.a.
b. *Appointed w.e.f. 28.06.2018
c. **Demised on 22.08.2019
d. ***Resigned w.e.f. 01.10.2018
e. ****Resigned w.e.f. 04.02.2019
f. *****Appointed w.e.f. 12.02.2019

iii. The percentage increase in the median remuneration of employees in the financial year 2018 -19

Particulars	Financial Year 2018 - 19 (Rs.)	Financial Year 2017 - 18 (Rs.)	Increase/Decrease (%)
Median remuneration of all employees	2,40,936/-	3,27,966/-	(26.54%)

Note: The calculation of % increase in the media n remuneration has been done based on comparable employees.

iv. The number of permanent employees on the rolls of Company:

There were95 permanent employees on the rolls of Company as on 31st March 2019.

v. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

The average increase of 14.39% in the salaries of employees was in line with the market projection, the performance of the Company in the financial year 2018-19 the individual performance of the employees, the criticality of the roles they play and skills set they possess.

vi. **Affirmation that the remuneration is as per the Remuneration Policy of the Company**

Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, KMPs, Senior Management and other employees of the Company is as per the Remuneration Policy of the Company.

For & on behalf of the Board of Directors of
Kilitch Drugs (India) Limited

Place: Mumbai
Date: 22nd August, 2019

Mukund Mehta
Managing Director
[DIN: 00147876]

Bhavin Mehta
Whole -Time Director
[DIN: 00147895]

Annexure III

Information required under Section 197 of the Companies Act, 2013 read with Rule 5(2)(a) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016.

Name of the Employees	Designation / Nature of Duties	Remuneration Received (Rs.) P.A.	Qualification	Experience in years	Age in Years	Date of Commence - ment of employment	Last employment held	% of share holding
Mr. Bhavin Mehta	Whole-Time Director	84,00,000/-	B. PHARM,	18	43	29.09.2007	-	2.57
Mr. Mukund Mehta	Managing Director	60,00,000/-	B.COM, BGL	34	66	12.05.1992	-	11.41
Mrs. Mira Mehta	Whole-Time Director	24,00,000/-	B.COM	11	41	01.03.2013	-	-
Mr. Tajouddin Ansari	GM-International Market	13,20,000/-	B.COM, MBA	22	43	03.11.2016	Medibios Laboratories Pvt Ltd	
Mr. Sujit Kumar Dash	*CFO	12,00,000/-	B. Com., CA	6	32	16.03.2018	Siva Group	-

* Appointed w.e.f. 12th February, 2019

The above employees are related to the Directors of the Company. :

Names of Employees	Names of employees who are relatives of any Director
Mukund Mehta	Bhavin Mehta (Son), Mira Mehta (Son's wife)
Bhavin Mehta	Mukund Mehta (Father), Mira Mehta (Spouse)
Mira Mehta	Bhavin Mehta (Spouse), Mukund Mehta (Father in Law)
Tajouddin Ansari	-
Sujit Kumar Dash	-

The other details are available on the website of the Company www.kilitch.com.

For & on behalf of the Board of Directors of
Kilitch Drugs (India) Limited

Place: Mumbai
Date: 22nd August, 2019

Mukund Mehta
Managing Director
[DIN: 00147876]

Bhavin Mehta
Whole-Time Director
[DIN: 00147895]

Annexure IV

FORM MGT - 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31st March 2019

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L24239MH1992PLC066718
2.	Registration Date	12/05/1992
3.	Name of the Company	Kilitch Drugs (India) Limited
4.	Category/Sub-category of the Company	Company limited by Shares/ Limited By Shares
5.	Address of the Registered office & contact details	C 301/2 , MIDC, TTC Indl. Area,Pawane, Navi Mumbai – 400705, Maharashtra, India. Tel. No. +91-22-27670322 Email :info@kilitch.com Website :www.kilitch.com
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Pvt. Ltd. Registrar & Share Transfer Agent Add.: C 101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai – 400083, Maharashtra, India. Tel: 022-49186000 | Fax: 022 -49186060 Email : rnt.helpdesk@linkintime.co.in Website : www.linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Manufacture of pharmaceuticals, medicinal chemical and botanical products	2100	48.32
2	Merchant exporter (Pharmaceutical & Other materials)	2100	51.68

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsid -iary/ Associate	% of shares held	Applicable Section
1	Monarchy Healthserve Private Limited Reg. Off. Add: Unit No.37, Ujagar Indl Estate, W.T. Patil Marg, Deonar, Mumbai: 4 00088.	U74999MH2007PTC167204	Subsidiary	100.00	2(87)(ii)
2	Kilitch Estro Biotech PLC House No. New, Lega Bari Lega Bolo, Barak Wereda, Oromia Special Zone, Finfine Surrounding, Oromia, Ethiopia.	-	Subsidiary	67.00	2(87)(ii)

IV. SHARE HOLDING PATTERN

A. (Equity Share Capital Breakup as percentage of Total Equity) Category-wise share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1st April 2018]				No. of Shares held at the end of the year [As on 31st March 2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	2404831	-	2404831	17.51	4004831	-	4004831	26.08	8.57
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	6629342	-	6629342	48.28	6629342	-	6629342	43.17	-5.11
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	**9034173**	-	**9034173**	**65.79**	10634173	-	10634173	69.25	3.46
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Alternate Investment Funds	-	-	-	-	6025	-	6025	0.04	0.04
c) Banks / FI	100	-	100	-	14283	-	14283	0.09	0.09
d) Central Govt	-	-	-	-	-	-	-	-	-
e) State Govt(s)	-	-	-	-	-	-	-	-	-
f) Venture Capital Funds	-	-	-	-	-	-	-	-	-
g) Insurance Companies	-	-	-	-	-	-	-	-	-
h) FIIs	-	-	-	-	-	-	-	-	-
i) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
j) Others (specify)	-	-	-	-	-	-	-	-	-
Sub -total (B)(1): -	**100**	-	**100**	-	**20308**	-	**20308**	**0.13**	**0.13**
2. Non - Institutions									
a) Bodies Corp.	221498	1100	222598	1.62	191478	1100	192578	1.25	-0.37
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	2122417	525140	2647557	19.28	2014928	472836	2487764	16.20	-3.08

ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	1099968	12000	1111968	8.10	1419867	-	1419867	9.25	1.15
c) Others (specify)									
Non Resident Indians	140396	-	140396	1.02	159638	-	159638	1.04	0.02
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	165933	-	165933	1.21	73748	-	73748	0.48	-0.73
HUF/Trusts	215135	-	215135	1.57	153635	-	153635	1.00	-0.57
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Investor Education and Protection Fund Authority	193968	-	193968	1.41	213531	-	213531	1.39	-0.02
Sub-total (B)(2): -	**4159315**	**538240**	**4697555**	**34.21**	**4226825**	**473936**	**4700761**	**30.61**	**-3.60**
Sub-total (B): -	**4159415**	**538240**	**4697655**	**34.21**	**4247133**	**473936**	**4721069**	**30.74**	**-3.47**
C. Shares held by Custodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total (A+B+C)	**13193588**	**538240**	**13731828**	**100.00**	**14881306**	**473936**	**15355242**	**100.00**	**0**

B) Shareholding of Promoter

Sr.No	Shareholder's Name	Shareholding at the beginning of the year [As on 1 st April 2018]			Shareholding at the end of the year [As on 31 st March 2019]			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Kilitch Company (Pharma) Ltd.	6629342	48.27	0	6629342	43.17	0	-5.10
2	Mukund Prataprai Mehta	1566763	11.41	0	1739763	11.33	0	-0.08
3	Neeta Mukund Mehta	484768	3.53	0	1111768	7.24	0	3.71
4	Bhavin Mukund Mehta	353300	2.57	0	1153300	7.51	0	4.94

C) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.	Particulars		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shar es	% of total shares of the company	No. of shares	% of total shares of the company
1	**Kilitch Company (Pharma) Ltd**					
	At the beginning of the year		6629342	48.27	6629342	48.27
	Changes during the year					
	-		-	-	-	-
	At the end of the year				6629342	43.17
2	**Mukund Prataprai Mehta**					
	At the beginning of the year		1566763	11.41	1566763	11.41
	Changes during the year					
	Allotment on conversion of warrants	31st August, 2018	173000	1.13	1739763	11.33
	At the end of the year				1739763	11.33
3	**Neeta Mukund Mehta**					
	At the beginning of the year		484768	3.53	484768	3.53
	Changes during the year					
	Allotment on conversion of warrants	31st August, 2018	627000	4.08	1111768	7.24
	At the end of the year				1111768	7.24
4	**Bhavin Mukund Mehta**					
	At the beginning of the year		353300	2.57	353300	2.57
	Changes during the year					
	Allotment on conversion of warrants	31st August, 2018	800000	5.21	1153300	7.51
	At the end of the year				1153300	7.51

D) Shareholding Pattern of top ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	DIPAK KANAYALAL SHAH					
	At the beginning of the year		**360000**	**2.3445**	**360000**	**2.3445**
	Changes during the year					
	Transfer	30 Jun 2018	4742	0.0309	364742	2.3754
	Transfer	06 Jul 2018	90	0.0006	364832	2.3759
	Transfer	13 Jul 2018	200	0.0013	365032	2.3772
	Transfer	20 Jul 2018	1000	0.0065	366032	2.3838

	Transfer	10 Aug 2018	800	0.0052	366832	2.3890
	Transfer	24 Aug 2018	2300	0.0150	369132	2.4039
	Transfer	07 Sept 2018	500	0.0032	369632	2.4072
	Transfer	14 Sept 2018	368	0.0024	370000	2.4096
	Transfer	19 Oct 2018	2000	0.0130	372000	2.4226
	Transfer	26 Oct 2018	200	0.0013	372200	2.4239
	Transfer	16 Nov 2018	1420	0.0092	373620	2.4332
	Transfer	07 Dec 2018	80	0.0005	373700	2.4337
	Transfer	14 Dec 2018	200	0.0013	373900	2.4350
	Transfer	08 Feb 2019	1100	0.0071	375000	2.4422
	At the end of the year				375000	2.4422
2	**INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS**					
	At the beginning of the year		193968	**1.2632**	193968	**1.2632**
	Changes during the year					
	Transfer	29 Mar 2019	19286	0.1256	213254	1.3888
	Transfer	30 Mar 2019	277	0.0018	213531	1.3906
	At the end of the year				213531	1.3906
3	**NEETA MANOJ RUPAREL**					
	At the beginning of the year		175900	1.1455	175900	1.1455
	Changes during the year					
	Transfer	17 Aug 2018	(5000)	(0.0325)	170900	1.1130
	Transfer	19 Oct 20 18	(3000)	(0.0195)	167900	1.0934
	Transfer	09 Nov 2018	(9400)	(0.0612)	158500	1.0322
	Transfer	16 Nov 2018	(4000)	(0.0260)	154500	1.0062
	Transfer	04 Jan 2019	(6500)	(0.0423)	148000	0.9638
	Transfer	11 Jan 2019	(1000)	(0.0065)	147000	0.9573
	Transfer	18 Jan 2019	(8000)	(0.0065)	139000	0.9052
	Transfer	15 Feb 2019	(2000)	(0.0130)	137000	0.8922
	At the end of the year				137000	0.8922
4	**KALESH VRAJLAL SHAH**					
	At the beginning of the year		4663	0.0304	4663	0.0304
	Changes during the year					
	Transfer	13 Apr 2018	44471	0.2896	49134	0.3200
	Transfer	20 Apr 2018	1663	0.0108	50797	0.3308
	Transfer	27 Apr 2018	257	0.0017	51054	0.3325
	Transfer	25 May 2018	9211	0.0600	60265	0.3925
	Transfer	15 Jun 2018	13250	0.0862	73515	0.4788
	Transfer	06 Jul 2018	13849	0.0902	87364	0.5690
	Transfer	13 Jul 2018	197	0.0013	87561	0.5702

	Transfer	27 Jul 2018	22380	0.1457	109941	0.7160
	Transfer	10 Aug 2018	791	0.0052	110732	0.7211
	Transfer	17 Aug 2018	15	0.0000	110747	0.7212
	Transfer	24 Aug 2018	5	0.0000	110752	0.7213
	Transfer	14 Sept 2018	339	0.0022	111091	0.7235
	Transfer	02 Nov 2018	(12725)	(0.0829)	98366	0.6406
	Transfer	09 Nov 2018	(18129)	(0.1181)	80237	0.5225
	Transfer	16 Nov 2018	8800	0.0573	89037	0.5798
	Transfer	23 Nov 2018	(2500)	(0.0163)	86537	0.5636
	Transfer	21 Dec 2018	2358	0.0154	88895	0.5789
	Transfer	04 Jan 2019	(8100)	(0.0528)	80795	0.5262
	Transfer	11 Jan 2019	(7000)	(0.0456)	73795	0.4806
	Transfer	18 Jan 2019	(1100)	(0.0072)	72695	0.4734
	Transfer	25 Jan 2019	(1000)	(0.0065)	71695	0.4669
	Transfer	01 Mar 2019	23965	0.1561	95660	0.6230
	Transfer	08 Mar 2019	18000	0.1172	113660	0.7402
	Transfer	29 Mar 2019	(34)	(0.0000)	113626	0.7400
	At the end of the year				113626	0.7400
5	**DARSHANA JIGNESH KOTHARI**					
	At the beginning of the year		**131000**	**0.8531**		
	Changes during the year					
	Transfer	17 Aug 2018	(5000)	(0.0326)	126000	0.8206
	Transfer	24 Aug 2018	(2723)	(0.0177)	123277	0.8028
	Transfer	19 Oct 2018	(3000)	(0.0195)	120277	0.7833
	Transfer	09 Oct 2018	(9384)	(0.0611)	110893	0.7222
	Transfer	16 Nov 2018	(4000)	(0.0260)	106893	0.6961
	Transfer	30 Nov 2018	100	0.0000	106993	0.6968
	Transfer	04 Jan 2019	(1493)	(0.0097)	105500	0.6871
	Transfer	11 Jan 2019	(1000)	(0.0065)	104500	0.6805
	Transfer	18 Jan 2019	(5000)	(0.0326)	99500	0.6480
	Transfer	15 Feb 2019	(1000)	(0.0065)	98500	0.6415
	At the end of the year				98500	0.6415
6	**ANUJ SHAH**					
	At the beginning of the year		73495	0.4786	73495	0.4786
	At the end of the year				73495	0.4786
7	**MITA DIPAK SHAH**					
	At the beginning of the year		0	0.00	0	0.00
	Changes during the year					

	Transfer	27 Jul 2018	50000	0.3256	50000	0.3256
	Transfer	03 Aug 2018	11000	0.0716	61000	0.3973
	Transfer	10 Aug 2018	500	0.0033	61500	0.4005
	Transfer	24 Aug 2018	11000	0.0716	72500	0.4722
	Transfer	05 Oct 2018	200	0.0013	72700	0.4735
	At the end of the year				72700	0.4735
8	**VARSHA RAMESH PARIKH**					
	At the beginning of the year		**15138**	**0.0986**	**15138**	**0.0986**
	Changes during the year					
	Transfer	20 Apr 2018	3856	0.0251	18994	0.1237
	Transfer	27 Apr 2018	7496	0.0488	26490	0.1725
	Transfer	04 May 2018	1000	0.0065	27490	0.1790
	Transfer	11 May 2018	3026	0.0197	30516	0.1987
	Transfer	18 May 2018	2500	0.0162	33016	0.2150
	Transfer	25 May 2018	210	0.0001	33226	0.2164
	Transfer	01 Jun 2018	2174	0.0142	35400	0.2305
	Transfer	08 Jun 2018	6000	0.0391	414000	0.2696
	Transfer	13 Jul 2018	500	0.0032	41900	0.2729
	Transfer	24 Aug 2018	11000	0.0716	52900	0.3445
	Transfer	14 Sept 2018	3000	0.0195	55900	0.3640
	Transfer	29 Sept 2018	3692	0.0240	59592	0.3881
	Transfer	05 Oct 2018	10100	0.0658	69692	0.4539
	Transfer	12 Oct 2018	5200	0.0339	74892	0.4877
	Transfer	02 Nov 2018	(200)	(0.0013)	74692	0.4864
	Transfer	09 Nov 2018	(300)	(0.0020)	74392	0.4845
	Transfer	16 Nov 2018	(500)	(0.0033)	73892	0.4812
	Transfer	11 Jan 2019	(4792)	(0.0312)	69100	0.4500
	Transfer	25 Jan 2019	(300)	(0.0020)	68800	0.4481
	Transfer	01 Feb 2019	(30)	(0.0000)	68770	0.4479
	Transfer	08 Feb 2019	(200)	(0.0013)	68570	0.4466
	Transfer	01 Mar 2019	(200)	0.0013	68370	0.4453
	Transfer	08 Mar 2019	(400)	0.0026	67970	0.4427
	At the end of the year				67970	0.4427
9	**PANKAJ NAMDHARANI HUF**					
	At the beginning of the year		**57500**	**0.3745**	**57500**	**0.3745**
	Changes during the year					
	Transfer	09 Nov 2018	(5000)	(0.0326)	52500	0.3419
	At the end of the year				52500	0.3419
10	**JATIN KESHAVJI CHANDE**		0	0.00	0	0.00
	At the beginning of the year		-	-	-	-

	Changes du ring the year					
	Transfer	03 Aug 2018	300	0.0020	300	0.0020
	Transfer	10Aug 2018	12400	0.0808	12700	0.0827
	Transfer	17 Aug 2018	300	0.0020	13000	0.0847
	Transfer	31 Aug 2018	5000	0.0326	18000	0.1172
	Transfer	14 Sept 2018	8350	0.0544	26350	0.1716
	Transfer	29 Sept 2018	6150	0.0401	32500	0.2117
	Transfer	30 Nov 2018	4500	0.0293	37000	0.2410
	Transfer	01 Feb 2019	2000	0.0130	39000	0.2540
	Transfer	22 Feb 2019	3000	0.0195	42000	0.2735
	Transfer	08 Mar 2019	9500	0.0619	51500	0.3354
	At the end of the year				51500	0.3354
11	**BHAVIN RAMAKANT SARAIYA**					
	At the beginning of the year		44587	0.2904	44587	0.2981
	Changes during the year					
	Transfer	06 Apr 2018	1183	0.0077	45770	0.2981
	Transfer	13 Apr 2018	1606	0.0105	47376	0.3085
	Transfer	10 Aug 2018	462	0.0030	47838	0.3115
	Transfer	17 Aug 2018	3151	0.0205	50989	0.3321
	Transfer	24 Aug 2018	1130	0.0074	52119	0.3394
	Transfer	14 Sept 2018	1177	0.0077	53296	0.3471
	Transfer	21 Sept 2018	13368	0.0871	66664	0.4341
	Transfer	29 Sept 2018	569	0.0037	67233	0.4379
	Transfer	02 Nov 2018	(5000)	(0.0326)	62233	0.4053
	Transfer	09 Nov 2018	(1500)	(0.0098)	60733	0.3955
	Transfer	16 Nov 2018	(6253)	(0.0407)	54480	0.3548
	Transfer	11 Jan 2019	(1500)	(0.0098)	52980	0.3450
	Transfer	15 Feb 2019	(17000)	(0.1107)	35980	0.2343
	At the end of the year				35980	0.2343
12	**POONAM BANKIM DESAI**					
	At the beginning of the year		53601	0.3491	53601	0.3491
	Changes during the year					
	Transfer	04 May 2018	(5276)	(0.0344)	48325	0.3147
	Transfer	11 May 2018	(2268)	(0.0147)	46057	0.2999
	Transfer	30 Jun 2018	(2000)	(0.0130)	44057	0.2869
	Transfer	03 Aug 2018	(1000)	(0.0065)	43057	0.2804
	Transfer	10 Aug 2018	(2500)	(0.0163)	40557	0.2641
	Transfer	24 Aug 2018	187	0.0012	40744	0.2653
	Transfer	14 Sept 2018	(82)	(0.0005)	40662	0.2648
	Transfer	21 Sept 2018	(10000)	(0.0065)	30662	0.1997

	Transfer	29 Sept 2018	(30500)	(0.1986)	162	0.0011
	Transfer	02 Nov 2018	6500	0.0423	6662	0.0434
	Transfer	29 Mar 2019	8338	0.0543	15000	0.0977
	At the end of the year				15000	0.0977
13	**ANS PVT LIMITED**					
	At the beginning of the year		**83242**	**0.5421**	**83242**	**0.5421**
	Changes during the year					
	Transfer	20 Apr 2018	1400	0.0091	84642	0.5512
	Transfer	27 Apr 2018	(1400)	(0.0091)	83242	0.5421
	Transfer	18 May 201 8	6245	0.0407	89487	0.5828
	Transfer	10 Aug 2018	(75)	(0.0005)	89412	0.5823
	Transfer	17 Aug 2018	167	0.0011	89579	0.5834
	Transfer	24 Aug 2018	(23149)	(0.1508)	66430	0.4326
	Transfer	07 Sept 2018	(27520)	(0.1792)	38910	0.2534
	Transfer	14 Sept 2018	(745)	(0.0049)	38165	0.2485
	Transfer	21 Sept 2018	(9500)	(0.0619)	28665	0.1867
	Transfer	29 Sept 2018	(5900)	(0.0384)	22765	0.1483
	Transfer	12 Oct 2018	(2300)	(0.0150)	20465	0.1333
	Transfer	19 Oct 2018	(10000)	(0.0651)	10465	0.0682
	Transfer	26 Oct 2018	(10440)	(0.0680)	25	0.0002
	Transfer	02 Nov 2018	2526	0.0165	2551	0.0166
	Transfer	09 Nov 2018	(2456)	(0.0160)	95	0.0006
	Transfer	16 Nov 2018	(30)	(0.0001)	65	0.0004
	Transfer	30 Nov 2018	15	0.0000	80	0.0005
	Transfer	07 Dec 2018	(10)	(0.0000)	70	0.0005
	Transfer	14 Dec 2018	(5)	(0.0000)	65	0.0004
	Transfer	21 Dec 2018	(35)	(0.0002)	30	0.0002
	Transfer	28 Dec 2018	20	0.0001	50	0.0003
	Transfer	04 Jan 2019	190	0.0012	240	0.0016
	Transfer	11 Jan 2019	(200)	(0.0013)	40	0.0003
	Transfer	25 Jan 2019	80	0.0005	120	0.0008
	Transfer	01 Feb 2019	100	0.0007	220	0.0014
	Transfer	08 Feb 2019	(175)	(0.0011)	45	0.0003
	Transfer	15 Feb 2019	5	0.0000	50	0.0003
	Transfer	22 Feb 2019	106	0.0007	156	0.0010
	Transfer	01 Mar 2019	14	0.0000	170	0.0011
	Transfer	08 Mar 2019	(100)	(0.0007)	70	0.0005
	Transfer	15 Mar 2019	(50)	(0.0003)	20	0.0001

	Transfer	29 Mar 2019	(20)	(0.0000)	0	0.0000
	At the end of the year				0	0.0000
14	KAMLESH V SHAH (HUF)					
	At the beginning of the year		39800	0.2592	39800	0.2592
	Transfer	06 Apr 2018	(458)	(0.0030)	39342	0.2562
	Transfer	13 Apr 2018	(39342)	(0.2562)	0	0.0000
	At the end of the year				0	0

E)Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Shareholding of Directors						
1	Mr. Mukund Mehta					
	At the beginning of the year		1566763	11.41	1566763	11.41
	Changes during the year					
	Allotment on conversion of warrants	31st August, 2018	173000	1.13	1739763	11.33
	At the end of the year		-	-	1739763	11.33
2	Mr. Bhavin Mehta					
	At the beginning of the year		353300	2.57	353300	2.57
	Changes during the year					
	Allotment on conversion of warrants	31st August, 2018	800000	5.21	1153300	7.51
	At the end of the year		-	-	1153300	7.51
3	Mrs. Mira Mehta		-	-	-	-
4	Mr. Hemang Engineer		-	-	-	-
5	Mr.Vasudev krishna Murti		-	-	-	-
6	Mr. Venkita Subramanian Rajan		-	-	-	-
Shareholding of Key Managerial Personnel						
1	*Mr.Shailesh Mirgal-CFO		-	-	-	-
	At the beginning of the year		-	-	-	-
	Changes during the year					
	Allotment pursuant to exercise of ESOP	13th August, 2018	942	0.00	942	0.00
	At the end of the year		-	-	942	0.00
2	**Mr. Sujit Kumar Dash-CFO		-	-	-	-
3	Mr. Harshal Patil-CS		-	-	-	-

a. *Resigned w.e.f. 04.02.2019
b. **Appointed w.e.f. 12.02.2019

V. INDEBTEDNESS : -

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i + ii + iii)	NIL	NIL	NIL	NIL
Change in Indebtedness during the financial year				
* Addition	NIL	NIL	NIL	NIL
* Reduction	NIL	NIL	NIL	NIL
Net Change	NIL	NIL	NIL	NIL
Indebtedness at the end of the financial year				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i + ii + iii)	NIL	NIL	NIL	NIL

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL -

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mukund Mehta Managing Director	Bhavin Mehta Whole -time Director	Mira Mehta Whole -time Director	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	60,00,000/-	84,00,000/-	24,00,000/-	1,68,00,000/-
	(b) Value of perquisites u/s 17(2) Income -tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income - tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	60,00,000/-	84,00,000/-	24,00,000/-	1,68,00,000/-

B. Remuneration to other directors

Sr. No	Particulars of Remuneration	Name of Directors					Total Amt. (in Rs.)
		Shailesh Cheda	Ramesh Modi	Hemang Engineer	V. K. Murti	V. S. Rajan	
1	Independent Directors						
	Fee for attending board committee meetings	-	-	20,000/-	20,000/-	25,000/-	65,000/-
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (1)	-	-	20,000/-	20,000/-	25,000/-	65,000/-
2	Other Non-Executive Directors						
	Fee for attending board committee meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-
	Total (B)=(1+2)	-	-	20,000/-	20,000/-	25,000/-	65,000/-
	Total Managerial Remuneration	-	-	20,000/-	20,000/-	25,000/-	65,000/-

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		CS	*CFO	Total
1	Gross salary	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income -tax Act, 1961	3,39,000/-	6,08,240/-	9,47,240/-
	(b) Value of perquisites u/s 17(2) Income -tax Act, 1961	0	1,02,796/-	1,02,796/-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0
2	Commission	0	0	0
	- as % of profit	0	0	0
	Others, specify...	0	0	0
3	Others, please specify	0	0	0
4	Stock Option	7,290/-	99,410/-	1,06,700/-
5	Sweat Equity	0	0	0
	Total	**3,46,290/-**	**8,10,446/-**	**11,56,736/-**

* Aggregate of total remuneration paid to the ,Chief Financial Offficer, occupying office thereof during the year.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	None				
Punishment					

Compounding	
B. DIRECTORS	
Penalty	None
Punishment	
Compounding	
C. OTHER OFFICERS IN DEFAULT	
Penalty	None
Punishment	
Compounding	

For & on behalf of the Board of Directors of
Kilitch Drugs (India) Limited

Place: Mumbai
Date:22nd August, 2019

Mukund Mehta
Managing Director
[DIN: 00147876]

Bhavin Mehta
Whole -Time Director
[DIN: 00147895]

ANNEXURE - V

FORM AOC - I

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies Accounts)
Rules, 2014)

Part "A": Summary of Financial Information of Subsidiary Companies
(Information in respect of each subsidiary to be presented with amounts in Lakhs.)

Sr. No.	1.	2.
Name of the subsidiary	**Monarchy Healthserve Pvt. Ltd.**	**Kilitch Estro Biotech PLC**
Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	31st March 2019	31st March 2019
Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	INR	INR
Share capital	47.09	645.25
Reserves & surplus	2185.93	(9.92)
Total assets	2387.09	3344.69
Total Liabilities	152.95	2709.35
Investments	-	-
Turnover	56.19	-
Profit before taxation	(93.84)	-
Provision for Deferred Tax	0.06	-
Profit after taxation	(93.78)	-
Proposed Dividend	-	-
% of shareholding	100%	67%

- Names of subsidiaries which are yet to commence operations - NA
- Names of subsidiaries which have been liquidated or sold during the year - None

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sr. No.	Name of Associates/Joint Ventures	NOT APPLICABLE
1.	Latest audited Balance Sheet Date	-
2.	Shares of Associate/Joint Ventures held by the company on the year end	-
	No.	-
	Amount of Investment in Associates/Joint Venture	-
	Extend of Holding %	-
3.	Description of how there is significant influence	-
4.	Reason why the associate/joint venture is not consolidated	-
5.	Net worth attributable to Shareholding as per latest audited Balance Sheet	-
6.	Profit / Loss for the year	-
	i. Considered in Consolidation	-
	ii. Not Considered in Consolidation	-

Names of associates or joint ventures which are yet to commence operations - NA
Names of associates or joint ventures which have been liquidated or sold during the year - None

For A.M.Ghelani & Company
Chartered Accountants
Firm Registration No. 103173W

For & on behalf of the Board of Directors of
Kilitch Drugs (India) Limited

Ajit M. Ghelani
Partner
Membership No.: 012576

Mukund Mehta
Managing Director
[DIN: 00147876]

Bhavin Mehta
Whole-Time Director
[DIN: 00147895]

Place: Mumbai
Date: 22nd August, 2019

ANNEXURE VI

SECRETARIAL AUDIT REPORT
For the financial year ended 31st March , 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members
Kilitch Drugs (India) Limited
C 301/2, MIDC TTC Indl Area,
Pawane, Navi Mumbai- 400 705
Maharashtra, India

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Kilitch Drugs (India) Limited** (hereinafter called the Company). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2019 complied with the statutory provisions listed hereunder, subject to specified observation(s) mentioned below, and also that the Company has proper Board-processes and compliance-mechanism in place to the extent in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2019 according to the provisions of:

I. The Companies Act, 2013 (the Act) and the rules made there-under;

II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there-under;

III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there-under;

IV. Foreign Exchange Management Act, 1999 and the rules and regulations made there-under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, to the extent as may be applicable to the Company;

V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:-

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendments thereto;

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;(Not Applicable to the Company during the Audit Period); and

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;(Not Applicable to the Company during the Audit Period);

i. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

VI. Other laws applicable specifically to the Company, namely:

a. The Drugs and Cosmetics Act, 1940 and the Rules made thereunder;
b. The Drugs (Prices Control) Order, 2013 and notification made thereunder;
c. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to be read with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013

I have also examined compliance with the applicable clauses of the following:

a. Secretarial Standards issued by The Institute of Company Secretaries of India.

b. The Listing Agreements entered into by the Company with the Stock Exchanges viz BSE Ltd (BSE) and National Stock Exchange of India Ltd (NSE) along with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as applicable for respective periods.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above

I further report that:
-The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

-Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

- All the resolutions were passed with consent of majority Directors and minutes were prepared accordingly.

-With reference to the compliance of Industry Specific Acts of the Company, I relied upon Management Representation letter issued by the respective Department Heads. My report of compliance would be limited to their reporting.

-With reference to the compliance of the Labour and Financial Laws, I relied upon Management Representation Letter issued by the respective Department Heads and also report of Statutory Auditors. My report of compliance would be limited to their reporting.

I further report that:

-there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period there were no specifiic events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, guidelines and standards.

For M/s Deep Shukla & Associates
Company Secretaries

Deep Shukla
Proprietor
FCS: 5652
C. P. No. 5364

Place: Mumbai
Date: 22nd August, 2019

ANNEXURE TO THE SECRETARIAL AUDIT REPORT

To
The Members
KILITCH DRUGS (INDIA) LIMITED

I further state that my said report of the even date has to be read along with this letter.

1. Maintenance of Secretarial/ Statutory Records is the responsibility of the Management of the Company. My responsibility is to express an opinion on these records based on the audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required I have obtained the Management representation about the compliance of laws, rules and regulations and happenings of events etc.

5.The compliance of the provisions of corporate and other applicable laws, rules, regulations, standard is the responsibility of management. My examination is limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For M/s Deep Shukla & Associates
Company Secretaries

Deep Shukla
Proprietor
FCS: 5652
C. P. No. 5364

Place: Mumbai
Date: 22nd August, 2019

ANNEXURE VII

CORPORATE SOCIAL RESPONSIBILITY POLICY (CSR POLICY)

1. Title and applicability

The document describes the Corporate Social Responsibility Policy ("CSR policy") of Kilitch Drugs (India) Ltd. ("KDIL" or "the company"). It includes KDIL's vision, mission and other relevant attributes of Corporate Social Responsibility.

The CSR policy shall be guided by KDIL's corporate philosophy of respect for the individual and the society at large.

The CSR policy has been formulated in accordance with Section 135 of the Companies Act 2013 and the CSR Rules 2014 and the relevant amendments / notifications / circulars.

The CSR policy shall apply to all CSR programs of KDIL

2. Vision and Mission

KDIL is committed to build a sustainable business with strong social relevance and a commitment to inclusive growth and contribute to the society by supporting causes on various concerns about health-care.

In pursuance of our vision that KDIL desires to assist people and animals to live healthier through innovative medicines.We are dedicated towards fulfilling the social objectives through various CSR activities. The Company shall make its endeavour to positively impact and influence the Society for its sustainable development.

3. Purpose

The Companies Act, 2013 has brought greater emphasis on CSR with rules that provide guidance on minimum CSR spend, focus areas, implementation mechanism and reporting to the shareholders of the company.

KDIL CSR Policy has been designed keeping in view the company's business vision, its CSR vision and long-term social objectives that the company wants to achieve. KDIL CSR Policy has been created with the purpose to outline its CSR focus areas, review mechanism, execution process and reporting mechanism.

4. Responsibility of the Board of Directors

The responsibility of the Board of Directors shall be as under:

a. To approve the CSR Policy & disclose the contents of such policy in its report and also place it on the Company's website;

b. Ensure that the activities proposed in the CSR Policy are undertaken;

c. Ensure that the company spends, in every financial year, at least 2% of average net profits of the company made during the 3 immediately preceding financial years, as required under Section 135 of the Companies Act, 2013 & Rules made thereunder;

d. If company fails to spend the sum as mentioned above, then the Board shall, in its Report specify the reasons for not spending the amount.

5. CSR Committee

5.1. Constitution of CSR Committee

A Corporate Social Responsibility Committee ("the CSR Committee") has been constituted by the Board of Directors to oversee the CSR agenda of the Company. The committee has been formed as per the requirements of Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014.

Board of Directors shall be empowered to take decision for making or effecting changes in the constitution of the CSR Committee.

The composition of CSR Committee shall be disclosed in the Board of Directors' Report.

5.2. Responsibilities of the CSR Committee

1. To formulate & recommend to the Board of Directors, a CSR Policy indicating the activities to be undertaken as specified in Schedule VII of the Companies Act, 2013 and modify / amend the same as required;
2. To review and approve annual budgets with respect to CSR programs;
3. To develop and institutionalize a CSR reporting mechanism in light with Section 135, Rule 8 of the Companies Act 2013;
4. To ensure that KDIL corporate website displays the approved CSR policy of the company
5. To monitor the CSR Policy, Projects and Programs from time to time.

5.3. Meetings of CSR Committee

The CSR Committee shall meet at least once in six months. The meeting shall be held either at the registered office of the company or any other place, as may be decided by the members.

Physical presence of a minimum of two members of the committee shall constitute the quorum.

5.4. Notice of Meeting

At least three days advance notice of every meeting, specifying the day, place and timing of Meeting and the general nature of the business to be transacted there at shall be given to the members. In urgency, a meeting may be convened by shorter notice.

6. Areas of CSR Activities

a. The Company is hereby devoted to direct its CSR resources, to a reasonable extent, for improving the quality of life of the people by focusing on the social causes, including but not limited to the following areas:

b. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation, including contribution to the Swacch Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
c. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
d. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
e. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water (including contribution to the Clean Ganga Fund set up by the Central Government for rejuvenation of river Ganga);
f. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
g. Measures for the benefit of armed forces veterans, war widows and their dependents;
h. Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
i. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, and other backward classes, minorities and women;
j. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
k. Rural Development Projects; and
l. Slum area development
m. Activities related to promotion of road safety as suggested vide General Circular No. 21/2014 dated 18.06.2014 issued by Ministry of Corporate Affairs

7. EXCLUSIONS:

Following activities shall be excluded from the CSR expenditure of KDIL:

a. Activities which are exclusively for the benefit of employees of the company or their family members;
b. Activities undertaken in pursuance of normal course of business of the Company;
c. Direct or indirect contribution to political parties;
d. Expenditure on item/s not in conformity with Schedule VII of the Companies Act 2013;
e. Surplus arising out of CSR projects shall not form part of the business profits of Company instead the same will be further used for CSR purposes only.

8. Geographies and beneficiaries

8.1. Geographies

KDIL will give preference to the local areas around its operations for spending the amount earmarked for CSR activities. KDIL's operations are mainly concentrated in the State of Maharashtra.
KDIL may undertake CSR activities in any other area in India as may be decided, from time to time

8.2. Beneficiaries

The beneficiaries of KDIL's CSR programs may be the following categories of people:
Children / students
Women
Weaker sections of the society
Others – society at large

9. Implementation mechanism

The company may conduct / implement CSR programs by itself and/or through registered trusts, societies and / or section 8 (previously section 25) companies with an established track record of at least three years in carrying on activities in the related area/s or as suggested by Ministry of Corporate Affairs vide circulars/notifications.
The company may collaborate or pool resources with other companies to undertake CSR activities and any expenditure incurred on such collaborative efforts would qualify for computing the CSR spending.
The progress will be reported to the CSR Committee during the committee meetings. The progress on CSR programs undertaken by the Company will be reported in the Annual Report in the format prescribed by the CSR Rules 2014.

10. Format for Annual Report to be included in the Board's Report

1. A brief outline of the company's CSR policy, including overview of Projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and project or programs.
2. The Composition of CSR Committee.
3. Average net profit of the company for last three financial years.
4. Prescribed CSR Expenditure (two percent of the Amount as in item 3 above).
5. Details of CSR spent during the financial year:
6. Total amount to be spent for the Financial year;
7. Amount unspent, if any;
8. Manner in which the amount spent during the financial year is detailed below

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Project or Programs (1)Local area or other (2) Specify the State and district where projects or Programs was undertaken	Amount outlay (budget) project or programs -wise	Amount spent on the projects or programs Sub -heads: (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure upto the reporting period	Amount spent Direct or through implement ing Agency
1							
2							
3							
	Total						

9. In case the company failed to spend the two percent of the average net profit of the last three financial years or any part thereof the company shall provide the reasons for not spending the amount in its Board Report.

10. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

11. Monitoring of CSR programs

The KDIL CSR team shall be responsible for day to day management of CSR related activities of the company. The team shall periodically report to the CSR committee regarding the financial and programmatic progress of CSR projects.

All projects undertaken by KDIL shall be monitored on a regular basis. On-site monitoring would also be undertaken at least once a year to ensure on-track implementation.

The CSR team shall be empowered to appoint an external third party to monitor / review / audit the progress (financial and programmatic) of the CSR projects.

12. Effective Date

The CSR Policy shall be effective from the date of its approval by the Board of Directors.

13. Amendments to the CSR Policy

CSR Policy may be updated to align it with the changing requirement or changes in the legal and regulatory framework. Any revision in the Policy shall be approved by the Board of Directors.

Annexure – VIII

Report on CSR Expenditure

Sr. No.	Particulars		Remarks
1	A brief outline of the company's CSR policy, including overview of Projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and project or programs.-		**CSR Policy is attached to Board report as an Annexure no. VII**
2	The Composition of CSR Committee.		**Mentioned in Board Report**
3	Average net profit of the company for last three financial years.		**Rs. 136.87 Lakhs**
4	Prescribed CSR Expenditure (two percent of the Amount as in item 3 above).		**Rs.2.74 Lakhs**
5	Details of CSR spent during the financial year		
	a.	Total amount to be spent for the Financial year;	**Rs. 2.74 Lakhs**
	b.	Amount unspent, if any;	**NIL**
	c.	Manner in which the amount spent during the financial year is detailed below	**Donation to Charitable & Educational Trust**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Project or Programs (1)Local area or other (2) Specify the State and district where projects or Programs was undertaken	Amount outlay (budget) project or programs -wise	Amount spent on the projects or programs Sub -heads: (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure upto the reporting period	Amount spent Direct or through implementing Agency
1	Social activities, Education, Woman Empowerment, Youth Empowerment	Social activities, Education, Woman Empowerment, Youth Empowerment	Local	2.74 Lakhs	2.74 Lakhs	2.74 Lakhs	2.74 Lakhs
2	-	-	-	-	-	-	-
3	-	-	-	-	-	-	-
	Total			2.74 Lakhs	2.74 Lakhs	2.74 Lakhs	2.74 Lakhs

CORPORATE GOVERNANCE REPORT

Corporate Governance is not merely the compliance of a set of regulatory laws and regulations but is a set of good and transparent practices that enable an organization to perform efficiently and ethically to generate long term wealth and create value for all its stakeholders. It goes beyond building and strengthening the trust and integrity of the Company by ensuring conformity with the globally accepted best governance practices. The Securities and Exchange Board of India (SEBI) observes keen vigilance over governance and fulfillment of these regulations in letter and spirit, which entails surety towards sustainable development of the Company, enhancing stakeholders' value eventually.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Corporate Governance is a set of systems and practices to ensure that the affairs of the company are being managed in a way which ensures accountability, transparency, and fairness in all its transactions in the widest sense and meet its stakeholder's aspirations and societal expectations. Your Company has committed to bring about the good corporate governance practices. It strongly believes in attaining transparency, accountability and equity, in all its operations, and in its interaction with stakeholders including shareholders, employees, the government and the lenders. The Company keeps itself abreast with the best governance practices on the global front, at the same time conforming to the recent amendments.

The Company firmly believes that corporate governance and compliance practices are of paramount importance in order to maintain the trust and confidence of the stakeholders and clients of the Company and the unquestioned integrity of all personnel involved or related to the Company. Corporate Governance contains a set of principles, process and systems to be followed by directors, Management and all Employees of the Company for increasing the shareholders' value, keeping in view interest of other stakeholders. While adhering to the above, the Company is committed integrity, transparency, accountability and compliance with laws in all dealings with shareholders, employees, the Government, customers, suppliers and other stakeholders.

2. BOARD OF DIRECTORS:

The Board of Directors ("the Board") facilitates effective fulfillment of the Board's tasks and provides leadership and guidance to the Company's management and helps in supervising the performance of the Company and helps achieving goals. The Board plays a crucial role enhancing and protecting the reputation of the organization are expected to exercise their duties in the best interests of shareholders and to maximize wealth.

The Board comprises of the members distinguished in various fields such as management, finance, law and marketing. This provides reliability to the Company's functioning and the Board ensures a critical examination of the strategies and operational planning mechanisms adopted by the management across the globe. None of the Directors on the Board is a member in more than ten Committees and Chairman of more than five Committees across all Companies in which they are Directors as per Regulation 26(1) of the SEBI (LODR) regulations, 2015.

The Company has an optimum combination of Directors on the Board and is in conformity with Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as on 31st March 2019, the Board comprised of 6 (Six) Directors out of which 3 (Three) are Non-Executive Independent Directors and 3 are Executive Directors.

Agenda papers of the Boards and its Committee meetings are circulated to the Directors well in advance of the meetings, supported with significant information as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for an effective and well-informed decision making during the meetings.

The composition of the Board of Directors and also the number of other Companies of which he/she is a Director and Member/ Chairman as on 31st March 2019, are as under:

Name of the Directors	Category of Directorship	Directorship in other Companies (Including Private Companies)	Committee Membership(s) of other Companies		No. of Shares held
			Member	Chairman	
Mr. Mukund Mehta	Managing Director	2	-	-	17,39,763

Mr. Bhavin Mehta	Whole time Director	4	-	-	11,53,300
Mrs. Mira Mehta	Whole time Director	1	-	-	-
Mr. Hemang Engineer	Independent Director	1	-	-	-
Prof. V. K. Murti	Independent Director	2	-	-	-
*Mr. V. S. Rajan	Independent Director	3	-	-	-
**Mr. Shailesh Chheda	Independent Director	-	-	-	-
***Mr. Ramesh Modi	Independent Director	-	-	-	-

*Appointed w.e.f. 28.06.2018
**Resigned w.e.f. .01. 10.2018
***Demised on 22.08.2018

The particulars of Directors, who are proposed to be re-appointed at the ensuing AGM, are given in the Notice convening the AGM.

Further, there are no inter-se relationships between our Board Members except Mr. Mukund Mehta, Mr. Bhavin Mehta and Mrs. Mira Mehta being relative and promoter of the Company.

BOARD PROCEDURE:

The Board meets at least once every quarter to review the quarterly performance and the financial results. The Board's role, functions, responsibility and accountability are clearly defined. All major decisions involving policy formulations, business plans, annual operating budgets, compliance with statutory requirements, major accounting provisions and write-offs are considered by the Board. All the Directors have made necessary disclosures about the directorships and committee positions they occupy in other companies.

ATTENDANCE OF EACH DIRECTOR AT THE BOARD MEETINGS AND THE LAST ANNUAL GENERAL MEETING:

During the financial year ended 31st March 2019, 6 (Six) Board Meetings were held the dates of which are 25/05/2018, 28/06/2018, 13/08/2018, 31/08/2018, 07/11/2018 and 12/02/2019. The attendance of each Director at Board Meetings and at the last Annual General Meeting is as under:

Name of the Directors	No. of Board meetings attended	Attendance of last AGM held on 27/09/2018.
Mr. Mukund Mehta	6	Present
Mr. Bhavin Mehta	3	Present
Mrs. Mira Mehta	6	Present
Mr. Hemang Engi neer	3	Present
Prof. V. K. Murti	4	Absent
*Mr. V. S. Rajan	4	Present
**Mr. Ramesh Modi	1	-
***Mr. Shailesh Chheda	0	Absent

*Appointed w.e.f. 28.06.2018
**Demised on 22-08-18
***Resigned w.e.f. 01.10.2018

3. AUDIT COMMITTEE:

BROAD TERMS OF REFERENCE:

The terms of reference of the Audit Committee are in order to cover the matters specified under revised Regulation 17(2) of Securities and Exchange Board of India (Listing Obligations and

Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013. This Committee has powers and roles comprising of Financial Reporting and disclosure, recommendation of appointment/ removal of Auditors, reviewing of company's results, evaluation of Independent Directors performances and all such other terms of reference as enumerated on the company's website at www.kilitch.com.

COMPOSITION:

The Audit Committee comprises of Three Directors, all are non-executive and Independent Directors. All these Directors possess knowledge by corporate finance, accounts and company law.
The constitution of the Audit Committee is as follows:

S.N	Name of Directors	Executive/Non - Executive Independent
1.	Prof. V. K. Murti	Non-Executive Independent
2.	Mr. V. S. Rajan	Non-Executive Independent
3.	Mr. Hemang Jagdish Engineer	Non-Executive Independent

MEETINGS AND ATTENDANCE

During the financial year ended 31st March 2019, Four Audit Committee Meetings were held on 25/05/2018, 13/08/2018, 07/11/2018, and 12/02/2019.

The attendance at the Audit Committee Meetings is as under:

S.N	Name of Director	Executive/ Non - Executive Independent	No. of meetings attended
1.	Prof. V. K. Murti	Chairman, Non-Executive Independent	4
2.	Mr. V. S. Rajan	Member, Non - Executive Independent	4
3.	Mr. Hemang Jagdish Engineer	Member, Non - Executive Independent	4

The Chairman of the Committee was not able to present because of his illness at the Annual General Meeting of the Company held on 27th September 2018 to attend the shareholders' queries.

4. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The terms of reference are in line with Section 178 of the Companies Act, 2013 and Regulation 20 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Committee reviews Shareholder's/ Investor' s complaints like non-receipt of Annual Report, physical transfer/ transmission/transposition, split/ consolidation of share certificates, issue of duplicate share certificates etc. This Committee is also empowered to consider and resolve the grievance of other stakeholders of the Company including security holders.

The total numbers of complaints received during the year were 16 all of which were resolved and there was no pending complaint as on 31st March, 2019.

COMPOSITION:

The constitution of the Committee of Directors is as under:

S.N	Name of Director	Executive/Non - Executive Independent
1.	Mr. V. S. Rajan	Chairman, Non-Executive Independent
2.	Prof. V. K. Murti	Member, Non - Executive Independent
3.	Mr. Hemang Jagdish Engineer	Member, Non - Executive Independent

MEETINGS AND ATTENDANCE

During the financial year ended 31st March 2019, Four Committee Meetings were held on 25/05/2018, 13/08/2018, 07/11/2018, and 12/02/2019.

The attendance at the Stakeholders Relationship Committee Meetings is as under:

S.N	Name of Director	Executive/Non Executive Independent	No. of meetings attended
1.	Mr. V. S. Rajan	Chairman, Non-Executive Independent	4
2.	Prof. V. K. Murti	Member, Non - Executive Independent	4
3.	Mr. Hemang Jagdish Engineer	Member, Non - Executive Independent	4

5. NOMINATION AND REMUNERATION COMMITTEE:

The Committee's constitution and terms of reference are in compliance with provisions of section 178 of the Companies Act, 2013, Regulation 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

This Committee has powers to recommend / approve remuneration, Identification of Persons who are qualified to become director, Recommend to the board their appointment and removal, approve remuneration of Non Executive Directors and all such and terms of reference as enumerated on the company's website at www.kilitch.com.

The constitution of the Committee of Directors is as under:

S.N	Name of Director	Executive/Non - Executive Independent
1.	Mr. Hemang Jagdish Engineer	Chairman, Non-Executive Independent
2.	Mr. V. S. Rajan	Member, Non - Executive Independent
3.	Prof. V. K. Murti	Member, Non - Executive Independent

Remuneration Policy for Key Managerial Personnel and other Employees of the Company:

The Company's Remuneration Policy for Key Managerial Personnel and Other employees is driven by the success and the performance of the Company and the individual & industry benchmarks and is decided by the Nomination and Remuneration Committee. Through its compensation programme, the Company endeavors to attract, retain, develop and motivate a high performance workforce. The Company follows a mix of fixed/ variable pay, benefits and performance related pay.

Role of the Nomination and Remuneration Committee:

The Committee performs the functions enumerated in Section 178 of the Act and Regulation 19(4) read with Part D of Schedule II of the Listing Regulations as follows:

(1) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees;

(2) formulation of criteria for evaluation of performance of independent directors and the Board of Directors;

(3) devising a policy on diversity of Board of Directors;

(4) identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;

(5) whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.

The details of Remuneration paid to the Executive Directors & KMP for the Financial Year 2018-2019

S.N	Names of Directors/ KMP	Executive/Non-Executive Independent	Amt. (in Rs.)
1.	Mr. Mukund Prataprai Mehta	Managing Director	60,00,000/-
2.	Mr. Bhavin Mukund Mehta	Executive Director	84,00,000/-
3.	Mrs. Mira Bhavin Mehta	Executive Director	24,00,000/-
4.	*Mr. Shailesh Mirgal	Chief Financial Officer	4,08,240/-
5.	**Mr. Sujit Kumar Dash	Chief Financial Officer	2,00,000/-
6.	Mr. Harshal Patil	Company Secretary	3,39,000/-

*Resigned w.e.f. 04.02.2019
**Appointed w.e.f. 12.02.2019

Further, there is no pecuniary relationship or transactions of the non-executive directors vis-à-vis the Company. None of the Executive Directors are eligible for payment of any severance fees.

MEETINGS AND ATTENDANCE

During the financial year ended 31st March 2019, 4(Four) Committee Meeting was held to consider and approve the remuneration package of the Executive Directors and other employees of the Company.

The attendance at the Remuneration Committee Meeting is as under:

S.N	Name of Director	Executive/ Non -Executive Independent	No. of meeting attended
1.	Mr. Hemang Jagdish Engineer	Chairman, Non-Executive Independent	4
2.	Mr. V. S. Rajan	Member, Non -Executive Independent	4
3.	Prof. V. K. Murti	Member, Non -Executive Independent	4

6. COMPENSATION COMMITTEE:

The Board of Directors of the Company has constituted Compensation Committee to administer the ESOP Scheme- KDIL ESOS 2007.

The composition of the said Compensation Committee is as under:

S.N	Name of Directors	Executive/Non - Executive Independent
1.	Mr. Hemang Jagdish Engineer	Non-Executive Independent
2.	Mr. V. S. Rajan	Non-Executive Independent
3.	Prof. V. K. Murti	Non-Executive Independent

MEETINGS AND ATTENDANCE

During the financial year ended 31st March 2019 , One (1) Committee Meeting was held to consider and grant additional 48529 options to the employees under ESOP Scheme.

The attendance at the Compensation Committee Meeting is as under:

S.N	Name of Director	Executive/Non- Executive Independent	No. of meeting attended
1.	Mr. Hemang Jagdish Engineer	Non-Executive Independent	1
2.	Mr. V. S. Rajan	Non-Executive Independent	1
3.	Prof. V. K. Murti	Non-Executive Independent	1

Further employees had exercised 23414 Options during the year. The number of options outstanding as on 31st March 2019 is 161754.

7. GENERAL BODY MEETINGS / POSTAL BALLOT :

Details of the last three years Annual General Meeting are as under:

Financial Year	Date	Location of the Meeting	Time	Special Resolution(s) Passed
2015 -2016	30/09/2016	C-301/2, M.I.D.C. TTC Industrial Area, Pawane Village, Navi Mumbai - 400705.	9.00 A.M.	-
2016 -2017	29/09/2017	C-301/2, M.I.D.C . TTC Industrial Area, Pawane Village, Navi Mumbai - 400705.	9.00 A.M.	03
2017 -2018	27/09/2018	C-301/2, M.I.D.C. TTC Industrial Area, Pawane Village, Navi Mumbai - 400705.	9.00 A.M.	-

8. TRAINING FOR BOARD MEMBERS

Regulation 25(7) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, every listed company is required to conduct familiarization programme enabling the Independent Directors of the Company to understand the Company's business in depth that would facilitate their active participation in managing the Company.

The Company has adopted a system to familiarize its Independent Directors with the Company, to make them aware of their roles, rights & responsibilities in the Company, and nature of the industry in which the Company operates business model of the Company, etc. The Company has also put in place a system to familiarize its Independent Directors with the Company, their roles, rights & responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. Presentation was made for the newly appointed Independent Directors to make them aware of their roles & duties and Code for Independent Directors, Code of Conduct for Non-Executive Directors and Code of Conduct for Prevention of Insider Trading as issued by the Company are also shared with them at the time of their appointment/ re-appointment. Further, presentations are also made from time to time at the Board and its Committee meetings, on quarterly basis, covering the business & financial performance of the Company & its subsidiaries, quarterly/ annual financial results, revenue and capital budget, review of Internal Audit findings etc.

The details of such familiarization programme are disclosed on the Company's website www.kilitch.com.

9. PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee. The performance of individual Directors was evaluated on parameters such as attendance and participation in the Meetings, preparedness for the meetings, understanding of the Company & the external environment in which it operates, contribution to strategic direction, raising of valid concerns to the Board, constructive contribution to issues, active participation at meetings and engaging with & challenging the management team without confronting or obstructing the proceeding of the Board and its Committee meetings of which the Director is a member. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Non Independent Directors was carried out by the Independent Directors at their meeting. The Directors expressed their satisfaction with the evaluation process.

10. DISCLOSURES:

i. Related Party Transactions:

There were no transactions of material nature between the Company and its Directors or Senior Management and their relatives or Promoters that may have potential conflict with interest of the Company. The Register of Contracts containing transactions, in which Directors are interested, have been placed before the Board regularly.

The transactions with related parties as per Indian Accounting Standard (IND AS)-24 are set out in Notes to accounts under Note no.34 forming part of financial statements. All transactions entered into with Related Parties as defined under Section 188 of the Companies Act, 2013 and Regulation 53 read with Part A of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year were in the ordinary course of business and on an arm's length pricing basis. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosures as required by the relevant Indian Accounting Standards (IND AS18) have been made in the Notes to the Financial Statements. The Board has approved a policy for related party transactions which has been uploaded on the Company's website www.kilitch.com.

ii. Disclosures from Senior Management

Disclosures from Senior Management are obtained on quarterly basis to the effect that they have not entered into any material, financial and commercial transactions, where they have personal interest that may have potential conflict with the interest of the Company at large.

iii. Compliances by the Company

The Company has complied with the requirements of the Regulatory Authorities on matters related to the capital market and no penalties/ strictures have been imposed against the Company by the Stock Exchanges or SEBI or any other Regulatory Authority on any matter related to capital market during the last three years.

iv. Whistle Blower Policy/ Vigil Mechanism

The Company has adopted a Whistle Blower Policy to provide a vigil mechanism to directors, employees, agents, consultants, vendors and business partners to disclose instances of wrong doing in the workplace. The object of this Whistle Blower Policy is to encourage individuals to disclose and protect such individuals in the event of a disclosure. The Company is keen on demonstrating the right values and ethical, moral and legal business practices in every field of activity within the scope of its work. The objective of this policy is to provide a vigil mechanism and framework to promote responsible whistle blowing and ensure effective remedial action and also protect the interest of the whistle blower as guided by legal principles. This policy is intended to:

a. Encourage and enable directors, employees, agents, consultants, vendors and business partners to raise issues or concerns, which are either unacceptable or patently against the stated objectives, law or ethics, within the Company.

b. Ensure that directors, employees, agents, consultants, vendors and business partners can raise issues or concerns without fear of victimization, subsequent discrimination or disadvantage thereof.

c. Reassure the whistle blower(s) that they will be protected from possible reprisals or victimization if they have made disclosure/s in good faith.

d. Ensure that where any wrong doing by the Company or any of its directors, employees, agents, consultants, vendors or business partners is identified and reported to the Company under this policy, it will be dealt with expeditiously and thoroughly investigated and remedied. The Company will further examine the means of ensuring how such wrong doing can be prevented in future and will take corrective action accordingly.

The policy also provides adequate safeguards against victimization of persons who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases. No person has been denied access to the Audit Committee. All complaints received under the said policy, if any, are reviewed by the Audit Committee at its meeting held every quarter. In staying true to our values of Strength, Performance and Passion and in line with Company's vision of being one of the most respected companies in India; the Company is committed to the high standards of Corporate Governance and stakeholder responsibility.

v. Code of Conduct for Directors and Senior Management

The Board has laid down Codes of Conduct for Executive Directors & Senior Management and for Non-Executive/ Independent Directors of the Company. The Codes of Conduct have been circulated to the Board and Senior Management and the compliance of the same has been affirmed by them. A declaration signed by the MD in this regard is given at the end of this Report. The Code of Conduct is available on website of the Company at the link www.kilitch.com.

vi. Code of Conduct for Prohibition of Insider Trading

The Company has framed Kilitch Drugs (India) Limited's Code of Conduct for Prohibition of Insider Trading' pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, which is applicable to its Directors, Officers, and Designated Employees. The Code includes provisions relating to disclosures, opening and closure of Trading Window and Pre-Clearance of trades procedure. In compliance with SEBI Regulations the Company sends intimations to Stock Exchanges from time to time.

vii. Subsidiary Companies

The Company has one Indian Subsidiary Company and one foreign subsidiary company as on 31st March 2019.

The Policy of Material Subsidiaries is available on website of the Company at the linkwww.kilitch.com.

viii. Risk Management & Internal Control

The Company has implemented a comprehensive 'Enterprise Risk Management' framework in order to anticipate, identify, measure, mitigate, monitor and report the risks to meet the strategic business objectives, details of which are given in the Risk Management section under 'Management Discussion and Analysis Report' which forms part of this Annual Report. The Company has a competent in-House Internal Audit team which prepares and executes a vigorous Audit Plan covering various functions such as operations, finance, human resources, administration, legal and business development etc. across different geographies. The team presents their key audit findings of every quarter to the Audit Committee. The management updates the members about the remedial actions taken or proposed for the same. The suggestions and comments from the Committee members are vigilantly incorporated and executed by the Company.

ix. Sexual Harassment Policy

The Company has an anti-sexual harassment policy to promote a protective work environment. The complaints received by the Sexual Harassment Committee with details of action taken thereon are reviewed by the Audit Committee at its meeting held every quarter. The Company has a zero tolerance policy towards such complaints and the same is conveyed to the employees at the time of induction.

x. Management Discussion and Analysis Report

The Management Discussion and Analysis Report forms part of Annual Report.

xi. Independent Directors

The Independent Directors of the Company have the option and freedom to meet and interact with the Company's Management as and when they deem it necessary. They are provided with necessary resources and support to enable them to analyze the information/data provided by the Management and help them to perform their role effectively.

xii. Share Reconciliation Audit

As stipulated by SEBI, a Qualified Practicing Company Secretary carries out Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges. The Audit confirms that the total Listed and Paid-up capital is in agreement with the aggregate of the total number of shares in dematerialized form and in physical form.

11. MEANS OF COMMUNICATION:

The Quarterly Reports of the Company are published in accordance with the Requirements of the SEBI (LODR) Regulations, 2015

Newspapers in which results are normally published:

1. Free Press Journal (English)

2. Navshakti (Marathi)

12. GENERAL SHAREHOLDERS' INFORMATION:

1. Annual General Meeting Scheduled to be Held:

Day & Date : **Monday 30th September 2019**
Time : **9.00 A.M.**
Venue [Regd. Off.] : C-301/2, M.I.D.C. Industrial Area, Pawane Village, Navi Mumbai - 400705, Maharashtra, India

2. Date of Book Closure : **24th September 2019 to 30th September 2019 [both days inclusive]**

3. Financial Calendar:

The next financial calendar year of the Company will be from 1st April 2019 to 31st March, 2020.

Audited/ Unaudited	Particulars of Financial Reporting	Date
Unaudited	Financial Reporting for the quarter ending 30th June 2019.	Up to 14th Aug 2019
Unaudited	Financial Reporting for the quarter ending 30th September 2019.	Up to 14th Nov 2019
Unaudited	Financial Reporting for the quarter ending 31st December 2019.	Up to 14th Feb 2020
Audited	Financial Reporting for the Audited Financial Result as on 31st March 2020.	Up to 30th May 2020

4. Listing on Stock Exchanges:

The Equity Shares of the Company are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

5. Stock Codes:

- National Stock Exchange of India Limited : **KILITCH**
- Bombay Stock Exchange Limited : **524500**

6. Stock Price Data:

The monthly high and low quotations and volume of shares traded on **Bombay Stock Exchange Limited** is as follows:

MONTH	BSE, MUMBAI		
	High (Rs.)	Low (Rs.)	No. of shares Traded
April, 2018	95.00	84.70	76641
May, 2018	95.00	86.50	104115
June, 2018	96.55	83.20	93824
July, 2018	106.70	101.25	114805
August, 2018	162.00	138.15	659044
Sept, 2018	150.30	143.10	161640
Oct, 2018	194.60	186.65	561366
Nov, 2018	208.00	176.05	502704
Dec, 2018	179.90	160.10	119365
Jan, 2019	242.40	214.45	1052405
Feb, 2019	217.50	185.15	200020
March, 2019	209.80	197.70	132285

* Source: BSE Website

The monthly high and low quotations and volume of shares traded on **National Stock Exchange of India Ltd.** is as follows:

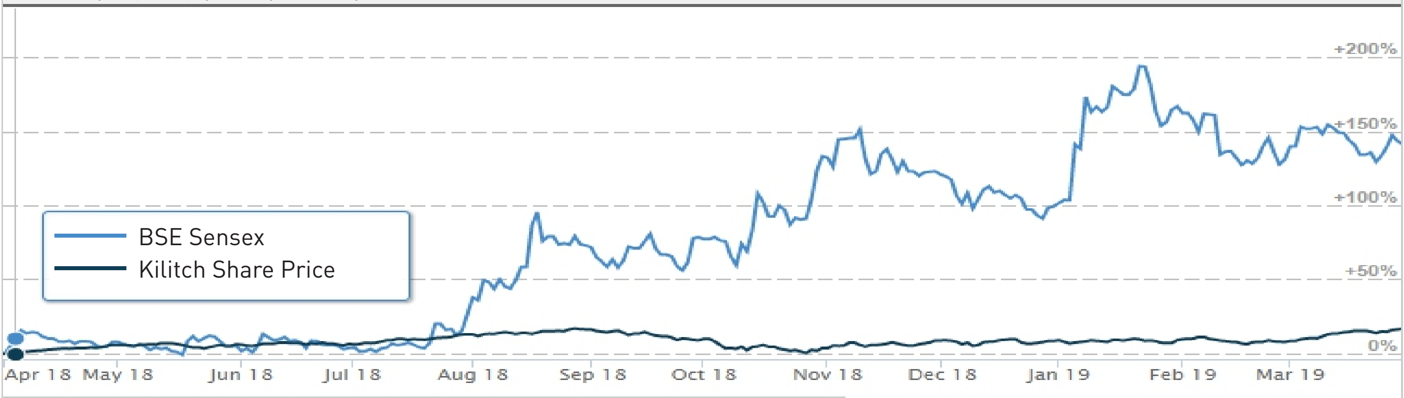
MONTH	NSE, MUMBAI		
	High (Rs.)	Low (Rs.)	No. of shares Traded
April, 2018	98.45	78.70	260866
May, 2018	95.50	77.05	244832
June, 2018	97.00	77.55	282379
July, 2018	107.10	80.30	414935
August, 2018	162.75	101.30	1582240
Sept, 2018	149.90	122.00	525679
Oct, 2018	195.00	126.25	2202876
Nov, 2018	208.80	172.55	2137759
Dec, 2018	180.00	148.00	795357

Jan, 2019	242.80	158.05	6685304
Feb, 2019	217.85	178.95	1481151
March, 2019	210.00	180.00	1061300

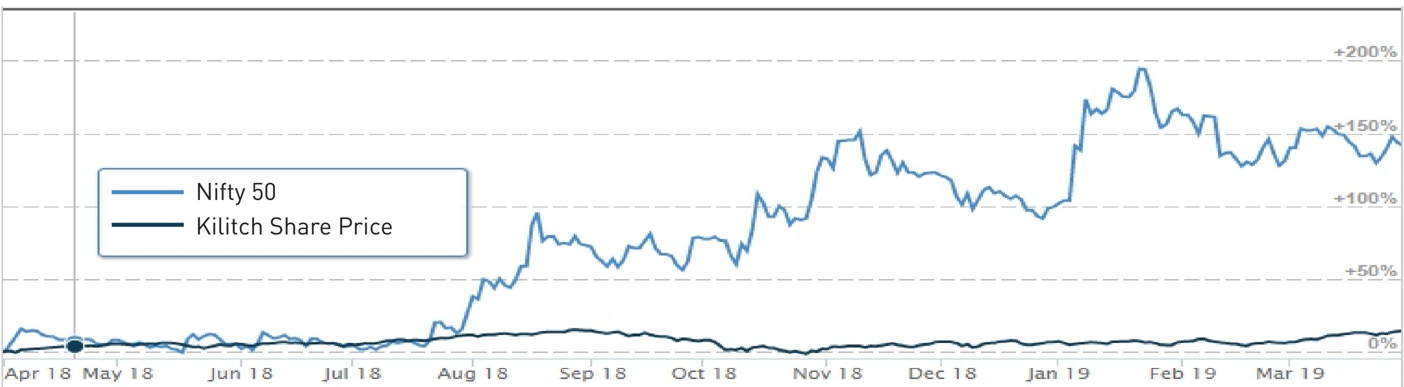
* Source: NSE Website

7. Performance in comparison

The Company fully paid up share price versus BSE Sensex



The Company fully paid up share price versus Nifty 50



8. Address for Correspondence:

Administrative Office	37, Ujagar Industrial Estate, W.T. Patil Marg, Deonar, Mumbai: 400 088. Tel: 022 - 61214100 e-mail: info@kilitch.com Web Site: www.kilitch.com
Share Transfer in physical form and in other communication in that regards including share certificates, dividends and change of address etc. may be addressed.	**Link Intime India Private Limited** C 101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai - 400083. Tel: 022 - 49186000; Fax: 022 -49186060

9. Share Transfer System:

Shares sent for transfer in physical to Link Intime India Private Limited (R&T Agents), are registered and returned within a period of **15 days** from the date of receipt, if the documents are in order. All requests for dematerialisation of shares are processed by the Company and Link Intime India Private Limited within **21 days.**

10. Dematerialisation of shares:

As on 31st March 2019, 14881306 Equity Shares are held in dematerialized form with NSDL and CDSL out of total Equity Shares of 15355242 aggregating to 96.91%.

11. Distribution of shareholding as on 31st March, 2019:

No. of shares held			No. of shareholders	No. of shares held	% of shareholding
1	to	500	10112	1259290	8.20
501	to	1000	578	466893	3.04
1001	to	2000	259	390101	2.54
2001	to	3000	75	193949	1.26
3001	to	4000	34	119684	0.78
4001	to	5000	29	138431	0.90
5001	to	10000	38	269207	1.75
10001	and	above	47	12517687	81.52
TOTAL			**11172**	**15355242**	**100**

12. Shareholding Pattern as on 31st March 2019:

Particulars of Category	Number of Shareholders	Shares	
		Number	% to total Capital
(A) Promoter and Promoter Group Holding			
1. Individual / Hindu Undivided Family	3	4004831	26.08
Bodies Corporate	1	6629342	43.17
Total (A)	4	10634173	69.25
(B) Non – Promoter Holding			
Institutions			
Alternate Investment Funds	1	6025	0.04
Financial Institutional Investors (FIIs)/Banks	3	14283	0.09
Trusts	-	-	-
Non -Institutions			
Bodies Corporate	94	192578	1.25
Indian Public	10472	3907631	25.45
NRIs	130	159638	1.04
Clearing Members	108	73748	0.48
Hindu Undivided Family	164	153635	1.00
Investor Education And Protection Fund Authority	1	213531	1.39
Total (B)	**10973**	**4721069**	**30.75**
Grand Tot al (A)+(B)	**10977**	**15355242**	**100**

Note: The total foreign shareholding for the year ended 31st March 2019 is 159638 shares which in percentage terms is 1.04 % of the issued and subscribed capital.
There is 4004831 Equity Shares under Lock -in for the period ended as on 31st March 2019
Shareholding pattern in case of dematerialization shares has been prepared based on download of data received from NSDL / CDSL as on 31st March 2019.

CERTIFICATION FROM THE MANAGING DIRECTOR AND CFO

In terms of Regulation 17(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered with the BSE and NSE, we hereby certify as under:

a. We have reviewed financial statements and the cash flow statement for the year ended 31st March 2019 and that to the best of our knowledge and belief:

1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

There have been no

i. Significant changes in internal control over financial reporting during the year;

ii. Significant changes in accounting policies during the year;

iii. Instances of fraud of which we have become aware and the involvement therein, of the management or an employee having significant role in the Company's internal control system over financial reporting.

For & on behalf of the Board of Directors of
Kilitch Drugs (India) Limited

Mukund Mehta
Managing Director
[DIN: 00147876]

Sujit Kumar Dash
Chief Financial Officer

Place: Mumbai
Date: 22nd August, 2019

DECLARATION BY THE MANAGING DIRECTOR ON 'CODE OF CONDUCT'

I hereby confirm that:

The Company has obtained from all the members of the Board and senior management, affirmation that they have complied with the Code of Conduct as applicable to them.

For & on behalf of the Board of Directors of
Kilitch Drugs (India) Limited

Mukund Mehta
Managing Director
[DIN: 00147876]

Place: Mumbai
Date: 22nd August, 2019

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

UNDER SECURITIES AND EXCHANGE BOARD OF INDIA (LISITING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To
The Members of
KILITCH DRUGS (INDIA) LIMITED

We have examined the compliance of conditions of Corporate Governance by KILITCH DRUGS (INDIA) LIMITED for the year ended on 31st March, 2019 as stipulated in Chapter IV of Securities and Exchange Board of India (Listiting Obligations and Disclosure Requirements) Regulations, 2015 for the period starting from 1st April 2018 to 31st March 2019, of the said Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedure and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI (LODR) Regulations, 2015.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For M/s Deep Shukla & Associates
Company Secretary

Deep Shukla
Propritor
FCS: 5652
C. P. No. 5364

Place: Mumbai
Date : 22nd August, 2019

Independent Auditors' Report

To,
The Members of
KILITCH DRUGS (INDIA) LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS financial statements of **Kilitch Drugs (India) Limited ("the Company"),** which comprise the Balance Sheet as at March 31, 2019 the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matters	Response Key Audit Matters
1.	Revenue Recognition [Sales]	Obtaining an understanding of and assessing the design, implementation and operating effectiveness of the Company's key internal controls over revenue recognition process. • Testing a sample of contracts/sales documents and testing the revenues recognised with respect thereto by agreeing information back to contract terms. • Testing the controls over the sale data collated for the purpose of recognizing the revenue on sample basis. • Assessing the adequacy of company's disclosure with respect to revenue recognised.
2.	Trade Receivables	Our audit procedures to assess the appropriateness of Trade receivables disclosure and provision against trade receivables included in the Note 12 & Note 3 paragraph "H" of significant accounting policies.

Other Information

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management and those charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(I) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143 of the Act (11 of 2013), we give in the Annexure "A" a statement on the matters specified in paragraph 3 and 4 of the Order.

2. As required under provisions of section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

c. The Balance Sheet, Statement of Profit and Loss including other comprehensive income, Cash Flow Statement and statement of changes in Equity dealt with by this report are in agreement with the books of account.

d. In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015.

e. On the basis of written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of section 164(2) of the Act.

f. With respect to the adequacy of the internal financial control over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g. In our opinion the Managerial remuneration for the year ended Mar 31, 2019 has been paid by the Company to its Directors in accordance with the provisions of Section 197 read with schedule V to the Act;

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of the pending litigations on its financial position vide Note No. 36 to the standalone Ind AS financial statements.

ii. The Company did not have any long term contracts including derivative contracts that require provision under any law or accounting standards for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts required transferred to the Investor Education and Protection Fund by the Company during the year.

As per Our Report of even date

For A.M Ghelani & Company
Chartered Accountants
Firm Registration No. : 103173W

Ajit M. Ghelani
Partner
Membership No. :012576

Date :30th May, 2019
Place : Mumbai

Annexure "A" referred to in paragraph 1 under the heading Report on other legal and regulatory requirements of our report of even date

i) In respect of its Fixed Assets :

a. The Company has maintained proper records showing full particulars including quantitative details and situation of its Fixed Assets, which we are informed, are being updated.

b. As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.

c. In our opinion and according to the explanations given to us, the Title Deeds of immovable properties are held in the name of company.

ii) In respect of its Inventories :

a. As explained to us, inventories have been physically verified by the management at the end of the year. In our opinion, the frequency of verification is reasonable.

b. According to the information and explanations given to us, in our opinion the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

c. The Company is maintaining proper records of its inventory. No material discrepancies were noticed on verification between the physical stocks and book records having regards to the size of the operations of the company.

iii) The Company has not granted any loans, secured or unsecured, to Companies / firms or other parties covered in the register maintained under section 189 of the Act. Consequently, the requirement of Clause (iii) (a) and Clause (iii) (b) of paragraph 3 of the Order not applicable to the company.

iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the companies Act, 2013 in respect to grants of the loans, making investments and providing guarantees and securities.

v) According to the information and explanations given to us, the company has not accepted any deposits within the meaning of provisions of section 73 to 76 or any other relevant provisions of the Act and rules framed hereunder. Therefore, provisions of Clause (v) of paragraph 3 of the Order are not applicable to the company.

vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2014 prescribed by the Central Government under Sub Section (1) of Section 148 of the Act and are of the opinion that, prima facie, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii) In respect of Statutory dues :

a. According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, GST, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues which are applicable to the company, have been regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2019 for a period of more than six months from the date of becoming payable.

b. The disputed statutory dues aggregating to Rs. 50,305,650/- that have not been deposited on account of the matters pending before the appropriate authorities are as under:

Name of the Statute	Nature of Dues	Amount in Rupees	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act 1961	Income Tax	50,305,650	A.Y. 2008-09	CIT (Appeals)

viii) According to the records examined by us and the information and explanation given to us, we are of the opinion that the company has not defaulted in re-payment of dues to financial institutions and banks.

ix) The Company has not obtained any term loans during the year under report.

x) Based on the audit procedures performed for the purpose of reporting the true and fair view of the standalone Ind AS financial statements as per the information and explanations given to us, no fraud by the company or on the company by its officers or employees has been noticed or reported during the year.

xi) Based upon the audit procedures performed and information and explanation given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provision of section 197 read with "schedule v" to the companies Act, 2013.

xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause (xii) of the Paragraph 3 of the Order are not applicable to the Company.

xiii) In our opinion and as per the information and explanations given to us, all the transactions with related parties are in compliance with section 177 and 188 of The Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable Accounting Standards.

xiv) In our opinion and as per the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause (xiv) of paragraph 3 of the Order are not applicable to the Company.

xv) In our opinion and as per the information and explanations given to us, the Company has not entered into any Non-Cash transaction with Director or Persons connected with him. Hence, the requirement of Clause (xv) of paragraph 3 of the Order is not applicable to the Company.

xvi) To the best of our knowledge and as explained, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For A. M. Ghelani & Company
Chartered Accountants
Firm Registration No. : 103173W

Ajit M. Ghelani
Partner
Membership No. : 012576

Date : 30th May,2019
Place : Mumbai

"Annexure B" referred to in paragraph 1 under the heading Report on other legal and regulatory requirements of our report of even date

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Kilitch Drugs (India) Limited** ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For A.M. Ghelani & Company
Chartered Accountants
Registration No : 103173W

Ajit M. Ghelani
Partner
Membership No.: 012576

Place : Mumbai
Dated : 30th May,2019

KILITCH DRUGS (INDIA) LTD.

Balance Sheet

as on 31st March 2019

			(Rs. In Lakhs)
Particulars	**Notes**	**As at 31 March,2019**	**As at 31st March,2018**
ASSETS			
Non-current assets			
Property, Plant and Equipment	6	778.91	732.81
Capital work -in-progress		-	-
Other Intangible Assets	6	2.90	2.35
Financial assets			
- Investments	7	7,123.66	7,024.52
- Loans & Advances	8	2,772.80	358.79
- Other Financial Assets	9	-	78.97
Deferred tax assets (Net)	10	103.13	154.79
(A)		**10,781.40**	**8,352.23**
Current Assets			
Inventories	11	471.58	279.64
Financial assets			
- Investments	7	2,841.62	3,029.34
- Trade Receivables	12	2,314.53	2,072.01
- Cash & Cash Equivalents	13	407.21	387.43
- Other Financial Assets	14	11.04	30.91
Other Current Assets	15	375.43	384.64
(B)		6,421.41	6,183.97
TOTAL (A + B)		**17,202.81**	**14,536.20**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	16	1,535.52	1,373.18
Other Equity	17	13,572.84	11,746.37
Equity attributable to Owner		15,108.36	13,119.55
(A)		15,108.36	13,119.55
Non-Current liabilities			
Provisions	18	41.34	-
Current liabilities			
Financial Liabilities			
- Borrowings	19	935.71	82.47
- Trade Payables	20		
Micro and Small Enterprises		-	-
Others		546.90	765.92
- Other Financial Liabilities	21	88.07	90.55
Provisions	22	68.15	81.06
Current Tax Liabilities [Net]	23	171.83	196.56
Other Current Liabilities	24	242.45	200.09
(B)		**2,094.45**	**1,416.65**
TOTAL (A+B)		**17,202.81**	**14,536.20**
Significant Accounting Policies and Notes on Financial Statements	1 to 48		

As per our report of even date	
For A. M. Ghelani & Company Chartered Accountants	For and on behalf of the Board of Directors **Kilitch Drugs India Limited**
FRN:103173W	Mukund P. Mehta (Managing Director)
Ajit M. Ghelani	Bhavin M. Mehta (Whole-time Director)
Partner M. No. 012576	Sujit Kumar Dash Chief Financial Officer
Mumbai Dated: 30 th May 2019	Harshal Anant Patil (Company Secretary)

KILITCH DRUGS (INDIA) LTD.

Statement of Profit and Loss

For the year ended 31st March 2019

				(Rs. In Lakhs)
	Particulars	Notes	Year Ended 31st March 2019	Year Ended 31st March 2018
I	Revenue from operations	25	9,641.76	5,045.78
II	Other Income	26	451.82	277.91
III	Total Income (I + II)		10,093.58	5,323.69
IV	Expenses			
	Cost of materials consumed	27	5,316.22	2,635.11
	Variation in inventories of finished goods & work-in- progress	28	(17.70)	(44.20)
	Employee benefits expenses	29	522.89	421.93
	Finance Cost		37.91	-
	Depreciation and amortization expense	6	120.38	119.23
	Export Product Registration/Commission	30	683.93	339.43
	Other expenses	31	1,477.48	1,136.55
	Total Expenses (IV)		8,141.11	4,608.05
V	Profit/ (loss) before tax		1,952.48	715.64
	Less: Tax-Expense:			
	a) Current Tax		(429.00)	(33.48)
	b) Tax adjustments of earlier years		4.92	-
	c) Deferred Tax		(51.66)	(62.57)
	Profit/ (loss) for the year (A)		1,476.73	619.59
	Other comprehensive income			
	A) Items that will not be reclassified To Profit & Loss A/c			
	a. Realised Gain/(Loss) on Sale of Equity Instruments		(7.06)	-
	b. Change in fair value of Investments		(121.41)	96.68
	c. Employee Benefits – Gratuity		(8.39)	-
	B) Income Tax relating to the items that will not be reclassified to Profit &			
	Loss A/c			
	Change in fair value of Investments		31.17	(29.87)
	Total Other comprehensive income for the period (A+B)		(105.69)	66.81
	TOTAL COMPREHENSIVE INCOME		**1,371.04**	**686.40**
	EARNINGS PER EQUITY SHARE [Face Value Rs. 10]	35		
	Basic		10.06	4.68
	Diluted		10.06	4.40
	Significant Accounting Policies and Notes on Financial Statements	1 to 48		

As per our report of even date	
For A. M. Ghelani & Company Chartered Accountants	For and on behalf of the Board of Directors **Kilitch Drugs India Limited**
FRN:103173W	Mukund P. Mehta (Managing Director)
Ajit M. Ghelani	Bhavin M. Mehta (Whole-time Director)
Partner M. No. 012576	Sujit Kumar Dash Chief Financial Officer
Mumbai Dated: 30 th May 2019	Harshal Anant Patil (Company Secretary)

Cash Flow Statement

For the year ended 31st March 2019

				Rs. (In Lakhs)
Particulars	For The Year Ended 31st March 2019		For The Year Ended 31st March 2018	
	[Rs.]	[Rs.]	[Rs.]	[Rs.]
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit / (Loss) before extraordinary items and tax		1,952.48		715.64
Adjustments for:				
Depreciation and amortisation	120.38		119.23	
Interest income	(75.69)		(21.99)	
Dividend income	(23.94)		(35.83)	
(Profit)/Loss on sale of Investments	(240.71)		(94.66)	
Sundry Balances written back	(17.51)		-	
Provision for Gratuity & Leave Encashment	13.15		(1.33)	
Income from Trading in Securities	-		(11.49)	
Bad Debts / Provision for Doubtful Debts	(126.06)		(39.73)	
(Profit) / Loss from Investment in Partnership Firm	0.27		0.24	
Profit / (Loss) on assets sold/ discarded	-		(0.05)	
Net unrealised exchange (gain) / loss	69.02	(281.09)	(50.17)	(135.78)
Operating profit / (loss) before working capital changes		**1,671.39**		**579.86**
Changes in working capital:				
Operating Assets:				
Inventories	(191.94)		(20.12)	
Trade receivables	(185.48)		(520.35)	
Other current assets	9.21		(118.50)	
Deposits & advances	(11.53)		(264.73)	
Other financial assets	19.87		(30.91)	
Operating Liabilities:				
Trade Payables	(201.52)		202.74	
Other Financial Liabilities	-		18.44	
Other Current Liabilities	42.36		17.06	
Provision	6.89	**(512.14)**	6.45	**(709.91)**
Gross cash flow from / (used in) operating activities		**1,159.25**		**(130.05)**
Direct Taxes (Paid) /refunded		**(417.65)**		**(1.86)**
Net cash flow from / (used in) operating activities		**741.60**		**(131.91)**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Fixed Assets Purchased	(167.02)		(86.62)	
Loans/Advances to Related Parties	(2,402.48)		-	
Proceeds (Net) from the sale of Current investments	299.96		(224.65)	
Proceeds (Net) from the sale of long-term investments:				
- Others	(99.40)		5.74	
Movement in other Bank balance	78.97		-	
Interest Received	75.69		21.99	
Dividend Received	23.94		35.83	
		(2,190.36)		(247.71)
Net cash flow from / (used in) investing activities (B)		**(2,190.36)**		**(247.71)**

C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Shares issued [incl. ESOPs]	24.50		295.00	
Proceeds form Borrowings (Net of repayments)	853.24		23.67	
Money received against warrants	685.84		236.00	
Dividends paid(Inclusive of tax on Dividend)	(95.04)		(4.08)	
Net cash flow from / (used in) financing activities (C)		**1,468.55**		**550.59**
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		**19.78**		**170.97**
Cash and cash equivalents at the beginning of the year		387.43		216.46
Cash and cash equivalents at the end of the year		**407.21**		**387.43**
Cash and cash equivalents at the end of the year *				
* Comprises:				
(a) Cash on hand		45.16		0.76
(b) Balances with banks				
(i) In current accounts		273.98		296.12
(ii) In earmarked accounts		88.07		90.55
		407.21		**387.43**

As per our report of even date	
For A. M. Ghelani & Company Chartered Accountants	For and on behalf of the Board of Directors **Kilitch Drugs India Limited**
FRN:103173W	Mukund P. Mehta (Managing Director)
Ajit M. Ghelani	Bhavin M. Mehta (Whole-time Director)
Partner M. No. 012576	Sujit Kumar Dash Chief Financial Officer
Mumbai Dated: 30 th May 2019	Harshal Anant Patil (Company Secretary)

KILITCH DRUGS (INDIA) LTD.

Statement of Change in Equity
For the year ended 31st March 2019

(a) Equity Share Capital				Rs. (In Lakhs)
As at 1st April 2017	Changes during the Year	As at 31st March 2018	Changes during the Year	As at 31st March 2019
1,323.18	50.00	1,373.18	162.34	1,535.52

(b) Statement of Changes in Other Equity

Particulars	Securities Premium account	General Reserve	Employee Stock Options	Other Equity	Other Reserves (Call on shares forfeited A/c)	Other Comprehensive Income	Surplus in the Statement of Profit and Loss	Total
Balance as on 1st April 2017	2,778.13	1,511.76	137.94	-	58.00	293.80	5,799.33	10,578.97
Profit/(Loss) for the Year	-	-	-	-	-	-	619.59	619.59
Change In Fair Value of Investments	-	-	-	-	-	66.81	-	66.81
Premium on issue of Shares during the year	245.00	-	-	-	-	-	-	245.00
Money Received Against Share Warrants	-	-	-	236.00	-	-	-	236.00
Conversion of Share warrants into Equity Share Capital	-	-	-	-	-	-	-	-
Declaration of Dividend	`	-	-	-	-	-	-	-
Balance as on 31st March 2018	3,023.13	1,511.76	137.94	236.00	58.00	360.61	6,418.92	11,746.37
Profit/(Loss) for the Year	-	-	-	-	-	-	1,476.73	1,476.73
Change In Fair Value of Investments	-	-	-	-	-	(105.69)	-	(105.69)
Premium on issue of Shares during the year	-	-	(25.50)	-	-	-	-	(25.50)
Money Received Against Share Warrants	809.50	-	-	-	-	-	-	809.50
Conversion of Share warrants into Equity Share Capital	-	-	-	(236.00)	-	-	-	(236.00)
Final Dividend Including DDT	-	-	-	-	-	-	(92.56)	(92.56
Balance as on 31st March 2019	**3,832.63**	**1,511.76**	**112.44**	-	**58.00**	**254.92**	**7,803.09**	**13,572.84**

As per our report of even date	
For A. M. Ghelani & Company Chartered Accountants	For and on behalf of the Board of Directors **Kilitch Drugs India Limited**
FRN:103173W	Mukund P. Mehta (Managing Director)
Ajit M. Ghelani	Bhavin M. Mehta (Whole-time Director)
Partner M. No. 012576	Sujit Kumar Dash Chief Financial Officer
Mumbai Dated: 30 th May 2019	Harshal Anant Patil (Company Secretary)

Notes to the Financial Statements

For year ended 31st March 2019

Note 1 - Corporate Information:

The Company is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India and its shares are publicly traded on the National Stock Exchange ('NSE') and the Bombay Stock Exchange ('BSE'), in India. The registered office of the company is located at C-301-2, M.I.D.C. TTC Industrial Area, Pawane Village, Thane – 400705.

These financial statements were approved and adopted by the Board of Directors of the Company in their meeting dated 30th May 2019.

Note 2 - Basis of Preparation of Financial Statements:

The Financial Statements have been prepared to comply in all material aspects with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The significant accounting policies used in preparing financial statements are set out in Note 3 of the Notes on Financial Statements and are applied consistently to all the periods presented.

Note 3 - Significant Accounting Policies:

A. Functional and presentation of currency:

The financial statements are presented in Indian Rupees, which is the Company's functional currency and all amounts are rounded to the nearest rupees in lakhs.

B. Basis of measurement:

The Financial Statements have been prepared on historical cost basis, except the following:

- Certain financial assets and liabilities are measured at fair value.
- Defined benefit plans – plan assets measured at fair value.
- Share Based Payments.

C. Use of Estimates:

The preparation of the financial statements requires management to make estimates, judgements and assumptions that affect the reported balances of assets and liabilities, disclosure of contingent liabilities as on the date of financial statements and reported amounts of income and expenses during the period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

D. Property, Plant and Equipment:

Freehold land is carried at historical cost. Capital work in progress, and all other items of property, plant and equipment are stated at historical cost net of accumulated depreciation and accumulated impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the Written down Value method to allocate their cost, net of their residual values, over their estimated useful lives as specified by Schedule to the Companies Act; 2013. The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives and method of depreciation are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

E Intangible assets:

Identifiable intangible assets are recognised when the Company controls the asset & it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured.

Intangible assets acquired are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets are amortised over the period on straight line basis. The assets useful life reviewed at each financial year end.

Amortisation methods and periods

Estimated useful lives of Intangible assets are considered as 5 years. Intangible assets are amortised over its useful life using the straight-line method. The amortisation period and the amortisation method for an intangible asset are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

F. Impairment of Non – Financial Assets:

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit's (CGU) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

G. Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instruments of another entity. Classifications of financial instruments are in accordance with the substance of the contractual arrangement and as per the definitions of financial assets, financial liability and an equity instruments.

Financial Assets and investments

I. Initial recognition and measurement:

At initial recognition, the company measures a financial asset (other than financial asset at fair value through profit or loss) at its fair value plus or minus, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit & loss.

II. Subsequent recognition and measurement:

Subsequent measurement of financial asset depends on the company's business model for managing the asset and the cash flow characteristics of the asset. For the purpose of subsequent recognition and measurement financial assets are classified in four categories:

- **Debt instrument at amortised cost:**

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- **Debt instrument at fair value through other comprehensive income (FVOCI):**

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses and interest revenue which are recognised in the statement of profit & loss. When the financial asset is derecognised, the cumulative

Notes to the Financial Statements
For year ended 31st March 2019

gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

- **Debt instrument at fair value through profit and loss (FVTPL):**

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the statement of profit & loss and presented net in the statement of profit & loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

- **Equity instruments:**

All equity instruments are initially measured at fair value. Any subsequent fair value gain / loss is recognised through profit or loss if such investments are held for trading purposes. The fair value gains or losses of all other equity investments are recognised in Other Comprehensive Income.

- **Investment in Subsidiary and Associates:**

The company has accounted for its Investment in subsidiaries and associates at cost.

III. **Derecognition:**

A financial asset is primarily derecognised i.e. removed from Company's financial statement when:

- The rights to receive cash flows from asset have expired, or
- The Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under 'pass- through' arrangement and either;

  a) The Company has transferred substantially all the risks and rewards of the assets,
  b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

IV. **Trade receivables:**

A receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at fair value less provision for impairment.

Financial Liabilities:

I. **Initial recognition and measurement:**

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

II. **Subsequent measurement:**

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and has designated upon initial measurement recognition at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the statement of profit & loss.

Financial liabilities designated upon initial recognition at fair

Notes to the Financial Statements

For year ended 31st March 2019

value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

III. **Loans and Borrowings:**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in the statement of profit & loss when the liabilities are derecognised as well as through the EIR amortisation process.
Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

IV. **Trade and other payables:**

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

V. **Derecognition:**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the Derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

H. **Impairment of Financial assets:**

The company assesses impairment based on expected credit losses (ECL) model to the following:

- Financial assets carried at amortised cost;
- Financial asset measured at FVOCI debt instruments.

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables or contract revenue receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

For assessing increase in credit risk and impairment loss, the company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

I. **Cash and cash equivalents:**

Cash and cash equivalents includes cash on hand and at bank, deposits with banks and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

J. **Inventories**

Inventories are valued at lower of cost or net realisable value. Cost is determined on FIFO basis.

Cost of inventories also includes all other costs incurred in bringing the inventories to their present location and condition.

Notes to the Financial Statements
For year ended 31st March 2019

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

K. Foreign currency transactions:

The transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of transaction. Monetary items denominated in foreign currency at the end of year are translated using the closing rate of exchange. Non- monetary items that are to be carried at historical cost are recorded using exchange rate prevailing on the date of transaction. Non-monetary items that are to be carried at fair value are recorded using exchange rate prevailing on the date of fair value measured. Any income or expenses on account of exchange difference either on settlement or on translation is recognised in the statement of profit & loss.

L. Classification of assets and liabilities as current and non-current:

The Company presents assets and liabilities in Balance Sheet based on current/non-current classification.
An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.
Deferred tax assets and liabilities are classified as non-current assets and liabilities.

M. Equity share capital:

Ordinary shares are classified as equity. Incremental costs net of taxes directly attributable to the issue of new equity shares are reduced from retained earnings, net of taxes.

N. Revenue Recognition:

Revenue is recognised to the extent that it is probable that the future economic benefits will flow to the entity and it can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

- **Sale of goods**

Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of goods, it is probable that the economic benefit will flow the Company, the associated costs and possible return of goods can be estimated reliably, there is neither continuing management involvement to the degree usually associated with ownership nor effective control over the goods sold and the amount of revenue can be measured reliably.

Provisions for chargeback, rebates, discounts and medical aid payments are estimated and provided for in the year of sales and recorded as reduction of revenue.

- **Sales Returns**

With respect to established products, the Company considers its historical experience of sales returns, levels of inventory in the distribution channel, estimated shelf life, product discontinuances, price changes of competitive products, and the introduction of competitive new products, to the extent each of these factors impact the Company's business and markets. With respect to new products introduced by the Company, such products have historically been either extensions of an existing line of product where the Company has historical experience or in therapeutic categories where established products exist and are sold either by the Company or the Company's competitors.

- **Interest income:**

Interest income from debt instrument is recognised using effective interest rate method. The effective interest rate is the

Notes to the Financial Statements

For year ended 31st March 2019

rate that discounts estimated future cash receipts through the expected life of financial asset to the gross carrying amount of financial asset. When calculating effective interest rate, the company expects cash flows by considering all contractual terms of financial instrument but does not consider the expected credit losses.

- Dividends

Dividends are recognised when the right to receive the payment is established.

O. Employee's benefits:

i. Short-term Employee benefits:

All employees' benefits payable wholly within 12 months rendering services are classified as Short Term obligations. Benefits such as salaries, wages, short term compensated absences, performance incentives, expected cost of bonus and ex-gratia are recognised during the period in which the employees renders related services.

ii. Post-employment benefits

a. Defined Contribution Plan

The defined contribution plan is post-employment benefit plan under which the Company contributes fixed contribution to a government administered fund and will have no legal or constructive obligation to pay further contribution.

The Company's defined contribution plan comprises of Provident Fund, Labour Welfare Fund and Employee State Insurance Scheme. The Company's contribution to defined contribution plans are recognised in the statement of profit & loss in the period in which the employee renders the related services.

b. Defined benefit plan

The Company has defined benefit plans comprising of gratuity. Company's obligation towards gratuity liability is partially funded as Management has initiated a decision to be funded and managed by Life Insurance Corporation of India over the period of 20 equated quarterly instalments over a period of 5 years.

The present value of the defined benefit obligations is determined based on actuarial valuation using the projected unit credit method. The rate used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations.

Based on actuarial valuation using the projected unit credit method. The rate used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations.

Actuarial gains or losses arising on account of experience adjustment and the effect of changes in actuarial assumptions are recognised immediately in the statement of profit & loss as income or expense.

Re-measurements comprising of
(a) Actuarial gains and losses,
(b) the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to the statement of profit & loss in subsequent periods.
The expected return on plan assets is the Company's expectation of average long-term rate of return on the investment of the fund over the entire life of the related obligation. Plan assets are measured at fair value as at the Balance Sheet date.

The interest cost on defined benefit obligation and expected return on plan assets is recognised under finance cost.

Gains or losses on the curtailment or settlement of defined benefit plan are recognised when the curtailment or settlement occurs.

c. Other long-term benefits

The Company has other long-term benefits in the form of leave benefits. The present value of the other long term employee benefits is determined

Gains or losses on the curtailment or settlement of other long-term benefits are recognised when the curtailment or settlement occurs.

Notes to the Financial Statements

For year ended 31st March 2019

d. Share-based payments

Share-based compensation benefits are provided to employees via Employee Stock Option Plans with the ESOS 2007.

The fair value of options granted under the Employee Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted: Including any market performance conditions (e.g., the entity's share price) excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and

Including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specific period of time).

The total expense, other than in respect of options granted to employees of group companies, is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. The cost of options granted to employees of group companies is debited to the cost of the investment of the respective companies. At the end of each period, the company revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in the statement of profit & loss / Investment, with a corresponding adjustment to other equity.

P. Borrowing Cost:

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for such capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

Borrowing costs consist of interest and other costs that are incurred in connection with the borrowing of funds.

Q. Income Taxes:

➢ **Current Income Tax:**

Current Income Tax liabilities are measured at the amount expected to be paid to the taxation authorities using the tax rates and tax laws that are enacted or subsequently enacted at the end of the reporting period. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and creates provisions where appropriate.

➢ **Deferred Tax:**

Deferred Tax is provided, using the Balance sheet approach, on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred Tax is determined using the tax rates and tax laws that are enacted or subsequently enacted at the end of the reporting period.

Deferred Tax liabilities are recognised for all temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and the deferred tax balances relate to the same taxation authority. Current tax asset and liabilities are offset where the company has a legally enforceable right and ntends either to settle on net basis, or to realise the asset and settle the liability simultaneously.

R. Provisions and contingencies:

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using the government securities' interest rate for the equivalent period.

Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each

Notes to the Financial Statements
For year ended 31st March 2019

balance sheet date and are adjusted to reflect the current best estimate. Provisions are not recognised for future operating losses.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the notes to the financial statements. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

S. Earnings per share:

Basic earnings per share is calculated by dividing the net profit or loss (after tax) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is calculated by dividing the net profit or loss (after tax) for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

Note 4 - Use of Significant Accounting Estimates, Judgments and Assumptions

In the process of applying the Company's accounting policies, management has made the following estimates and judgements, which have significant effect on the amounts recognised in the financial statements:

A. Depreciation and useful lives of Property, Plant and Equipment

Property, plant and equipment are depreciated over the estimated useful lives of the assets, after taking into account their estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation for future periods is adjusted if there are significant changes from previous estimates.

B. Recoverability of trade receivables

Judgments are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. The Company uses a provision matrix to determine impairment loss allowance on its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

C. Defined Benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

D. Provisions:

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

E. Impairment of financial assets:

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates.
The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Notes to the Financial Statements
For year ended 31st March 2019

Estimates and judgments are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. They are continuously evaluated.

F. Fair Value measurement:

The Company measures financial instrument such as certain investments, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy

by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Note 5- Amendment to Existing issued Ind AS

The MCA has also carried out amendments of the following accounting standards:

i. Ind AS 101- First time adoption of Indian Accounting Standards
ii. Ind AS 103 – Business Combinations
iii. Ind AS 109 - Financial Instruments
iv. Ind AS 111 – Joint Arrangements
v. Ind AS 12 – Income Taxes
vi. Ind AS 19 – Employee Benefits
vii. Ind AS 23 – Borrowing Costs
viii. Ind AS 28 - Investment in Associates and Joint Ventures
ix. Ind 116 - Leases

Application of above standards are not expected to have any significant impact on the Standalone financial statements.

Notes to the Financial Statements

For year ended 31st March 2019

Note 6 - Property, Plant & Equipment

Rs. (In Lakhs)

Particulars	Land	Rights on Lease Hold Land	Factory Building	Office premises	Plant & Machinery	Furniture & Equipment	Computer	Motor Car	Office Equipment	Air Conditioners	Electrical Installations	Laboratory Equipment	Mobile Phone	Computer software	Total
Gross Block															
As at 01/04/2017	29.88	96.78	261.02	133.24	1,359.23	66.79	42.76	113.46	15.67	28.22	26.01	182.49	8.10	13.37	2,377.01
Additions	-	-	-	-	51.47	18.80	-	-	3.36	-	1.20	10.70	0.11	1.03	86.67
Disposals/ Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31/03/2018	29.88	96.78	261.02	133.24	1,410.70	85.59	42.76	113.46	19.03	28.22	27.21	193.19	8.21	14.40	2,463.68
Additions	-	-	-	-	125.61	11.50	2.28	6.17	1.60	-	-	15.49	2.68	1.69	167.02
Disposals/ Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31/03/2019	29.88	96.78	261.02	133.24	1,536.31	97.10	45.03	119.63	20.63	28.22	27.21	208.68	10.89	16.09	2,630.70
Accumulated Depreciation															
As at 01/04/2017	-	-	240.04	70.37	881.60	54.24	38.26	88.54	14.07	21.75	20.39	162.94	5.70	11.39	1,609.29
Depreciation Charge for the Year	-	-	4.64	3.05	84.35	6.61	1.71	7.12	1.68	1.18	1.67	5.15	1.40	0.66	119.23
As at 31/03/2018	-	-	244.67	73.42	965.95	60.85	39.97	95.66	15.75	22.93	22.06	168.10	7.10	12.05	1,728.51
Depreciation Charge for the Year	-	-	3.29	2.90	88.07	7.56	1.08	6.22	1.58	0.93	1.20	4.82	1.57	1.15	120.38
As at 31/03/2019	-	-	247.97	76.32	1,054.02	68.41	41.05	101.89	17.33	23.86	23.26	172.92	8.68	13.19	1,848.89
Net Block															
As at 31/03/2019	29.88	96.78	13.05	56.92	482.29	28.69	3.98	17.74	3.29	4.36	3.95	35.76	2.22	2.90	781.81
As at 31/03/2018	29.88	96.78	16.34	59.82	444.75	24.75	2.78	17.80	3.28	5.29	5.15	25.09	1.11	2.35	735.17

Notes to the Financial Statements

For year ended 31st March 2019

Note 7 – Investments

Rs. (In Lakhs)

A] Non -Current Investments		
Particulars	As on 31st March, 2019	As on 31st March, 2018
Non- Trade Investments		
A. Investments in Shares:		
i. Quoted Shares: (At Fair Value through Other Comprehensive Income)		
[Equity Shares of Face value Rs. 10/- each, fully paid-up, unless otherwise Stated)		
15 (31st M arch 2018 : 15) - Bengal and Assam Co Ltd.	0.26	0.31
1,000 (31st March 2018 : 1000) - Century Enka Ltd.	2.52	3.02
500 (31st March 2018 : 500) - Century Textiles & Ind Ltd.	4.66	5.73
200 (31st March 2018 :200) - Colgate Palmolive India Ltd.	2.52	2.12
720 (31st March 2018 : 720) - J K Laxmi Cement Ltd.	2.50	3.33
400 (31st March 2018 : 400) - Pfizer Ltd.	13.28	8.74
NIL (31st March 2018 :2616) - Reliance Power Ltd.	-	0.95
Fair Value of Quoted Instruments (Total of A . i)	**25.74**	**24.19**
ii. Unquoted Shares:		
Investment in Indian Subsidiary (At Cost) - Monarchy Healthserve Pvt. Ltd.		
[Preference Shares of Face value Rs. 10/- each, fully paid-up, unless otherwise Stated)		
4,20,000 (P.Y. 4,20,000	4,200.00	4,200.00
[Equity Shares of Face value Rs. 10/- each, fully paid- up, unless otherwise Stated)		
50,860 (P.Y. 50860) Monarchy Healthserve Pvt. Ltd. (W.e.f. F.Y. 14 -15)	2.02	2.02
Investment in Foreign Subsidiary		
67% Investment in Kilitch Estro Biotech PLC.	419.68	222.94
Others (At Fair Value through Other Comprehensive Income)		
7000 (P.Y. 7000) Novo Informatics Pvt Ltd	48.02	48.02
Estee Advisors Pvt. Ltd.	-	121.46
Edelweiss Securities Limited	-	6.30
100000 (31st March 2018 : 100,000) Preference Shares of Rs. 100 each fully paid - TATA MOTORS FINANCE LIMITED	100.00	100.00
Book Value of Unquoted Instruments (Total of A. ii)	**4,769.72**	**4,700.74**
Total Investment in Shares (A. i + A. ii)	**4,795.46**	**4,724.93**
B. Investment in the Capital of Partnership Firm (LLP) (At Cost)		
Arham Neeta Realties LLP	2,246.73	2,246.34
C. Investments in Bonds:		
i. Quoted Bonds: (At Fair Value through Other Comprehensive Income)		
National Highways Authority of India	45.71	45.71
Housing And Urban Development Corporation Ltd	7.53	7.53
ii. Unquoted Bonds: (At Fair Value through Other Comprehensive Income)		
Club millionaire Financial Services Pvt Ltd.	28.23	-
Total Investment in Bonds (Ci +ii)	**81.47**	**53.24**
Aggregate Fair Value of All Non - Current Investments (A+B+C)	**7,123.66**	**7,024.72**

Notes to the Financial Statements
For year ended 31st March 2019

B] Current Investments

Rs. (In Lakhs)

Particulars	As on 31st March, 2019	As on 31st March, 2018
Investment in Units of Mutual Funds : (At fair value through Other Comprehensive income)		
Mutual Fund - Axis		
NIL (31st March 2018: 126,822.025) Axis Equity Fund - Growth (EFGPG)	-	31.33
NIL (31st March 2018: 3,837.386) Axis Liquid Fund Direct –DDR	-	38.41
Mutual Fund – Edelweiss		
134,756.526 (31st March 2018: 134,756.526) Axis Focused 25 Fund Growth (Edelweiss Demat)	36.52	33.86
Mutual Fund - Kotak Wealth		
NIL (31st March 2018: 188476.52) Kotak Select Focus Fund Regular Plan Dividend - DP	-	42.76
201,130.9550 (31st March 2018: 201,130.9550) Mirae Asset India Opportunities Fund Regular Dividend Plan - DP	36.53	35.05
55,519.6340 (31st March 2018: 55,519.6340) SBI Blue Chip Fund Regular Plan Dividend - DP	12.38	11.76
353,174.43 (31st March 2018: 353,174.43) SBI Blue Chip Fund Regular Plan Growth	138.48	131.46
30810.4260 (31st March 2018: 30810.4260) Franklin India Prima Fund Growth	185.67	173.60
NIL (31st March 2018 : 1,935,021.96) HDFC Corporate Debt Opportunities Fund Regular Growth	-	278.85
NIL (31st March 2018 : 1,124,095.2390) IDFC Banking Debt Fund Regular Plan Growth	-	165.84
NIL (31st March 2018 : 262,631.94) Reliance Regular Savings Fund Balanced Plan Growth Option	-	140.08
NIL (31st March 2018 : 536,541.13) ICICI Prudential Income Opportunities Fund - Regular Plan - Groth	-	130.27
NIL (31st March 2018 : 312,640.69) IDFC Dynamic Bond Fund Regular Plan Growth Option	-	64.53
NIL (31st March 2018 : 131,245.65) Kotak Bond Scheme Plan A Regular Plan Growth	-	62.42
NIL (31st March 2018 : 277,200.28) Reliance Dynamic Bond Fund Growth Plan Growth	-	64.25
NIL (31st March 2018 : 537,143.47) Sundaram Flexible Fund Flexible Income Plan Regular Growth	-	130.99
NIL (31st March 2018 : 331,749.78) UTI Dynamic Bond Fund Growth	-	66.52
770,208.3320 (31st March 2018 : 796,480.8610) Reliance Arbitrage Advantage Fund Dividend Plan - DR	93.93	96.01
NIL (31st March 2018 : 672.2406) Kotak Floater Short Term Growth	-	19.12
10,00,000 (31st March 2018 : 10,00,000) KOTAK FMP Series 183 1204 Days Reg. Growth	123.04	122.40
NIL (31st March 2018 : 365,493.65) Kotak Select Focus Fund Regular Plan Growth	-	116.27
Kotak Small And Midcap Pms	40.29	46.21
NIL (31st March 2018 : 258,732.21) Mirae Asset India Opportunities Fund Regular Growth	-	115.93
306,901.1440 (31st March 2018: 306,901.1440) Motilal Oswal Most Focused Multicap 35 Fund Reg Gw	79.72	80.73
NIL (31st March 2018 : 752,553.1140) Birla Sun Life Medium Term Plan Growth	-	165.39
NIL (31st March 2018 : 296,982.6560) ICICI Prud Regular Saving Fund Growth	-	55.16
500,000 (31st March 2018: 500,000) ICICI Prud. Value Fund Series 9 Reg Plan Div. DP	53.45	51.75
380,124.07 (31st March 2018 : 380,124.07) Kotak Medium Term Fund Regular Plan Growth	58.07	54.86
1,000,000 (31st March 2018 : 1,000,000) HDFC FMP 1213 D MARCH 2018 1 SERIES 38 REG PLAN GRO	115.17	107.91
NIL (31st March 2018 : 768,344.2180) Reliance Corporate Bond Fund Growth	-	107.67
ICICI Prud. PMS Enterprising India Portfolio II	62.41	67.84
AVENDUS ENGHANCED RETURN FUND 9TH Closure	102.75	-

Notes to the Financial Statements

For year ended 31st March 2019

15,00,000 (31st March 2018 : NIL) IDFC Fixed Term Plan Series 149 Direct Plan Growth	161.61	-
15,00,000 (31st March 2018 : NIL) IDFC Fixed Term Plan Series 149 Regular Plan Growth	161.28	-
352,691.3880 (31st March 2018 : NIL) Motilal Oswal Multicap 35 Fund Direct Plan Growth	96.08	-
629,370.1890 (31st March 2018 : NIL) UTI Credit Risk Fund Growth	105.27	-
752,553.1140 (31st March 2018 : NIL) Aditya Birla Sun Life Medium Term Plan Growth	171.44	-
3071.7950 (31st March 2018 : NIL) Axis Banking & PSU Debt Fund Growth	53.67	-
126,822.0250 (31st March 2018 : NIL) Axis Blue Chip Fund Growth	35.88	-
296,982.6560 (31st March 2018 : NIL) ICICI Prudential Credit Risk Fund Growth	58.96	-
188,476.5200 (31st March 2018 : NIL) Kotak Standard Multicap Fund Regular Plan Dividend	44.66	-
365,493.650 (31st March 2018 : NIL) Kotak Standard Multicap Fund Regular Plan Growth	129.67	-
258,732.2120 (31st March 2018 : NIL) Mirae Asset India Equity Fund Regular Plan Growth	132.38	-
768,344.2180 (31st March 2018 : NIL) Reliance Classic Bond Fund Growth	112.97	-
262,631.9400 (31st March 2018 : NIL) Reliance Equity Hybrid Fund Growth	144.74	-
Mutual Fund - SPA Capital		
130,116.845 (31st March 2018 : 130,116.845) Franklin India Income Opportunities Fund (SPA)	29.04	26.87
5,269.059 (31st March 2018 : 5,269.059) HDFC Prudence Fund (SPA)	28.52	25.56
24,717.259 (31st March 2018 : 24,717.259) UTI MID CAP FUND GROWTH (SPA)	24.99	26.63
UTI Structured Debt Opportunities Fund I (SPA)	48.61	25.53
Omni Scien ce Capital	22.70	-
Mutual Fund – IIFL		
NIL (31st March 2018 : 41,993.5270) Birla Sun Life Cash Plus Daily Div.Reg Reinv (IIFL)	-	42.11
IIFL Focused Equity Strategies Fund (Cap metrics)	62.10	34.78
IIFL Focused Equity Strategies Fund (Trivant age)	38.37	38.64
148,528.4050 (31st March 2018: NIL) Axis Focused 25 - Growth (IIFL)	40.25	-
Market Value of Quoted Investments	**2,841.62**	**3,029.34**
Aggregate Fair Value of All Current Investments	**2,841.62**	**3,029.34**

Note 8 - Loans and Advances

		(Rs. In Lakhs)
Particulars	**As on 31st March, 2019**	**As on 31st March, 2018**
(a) Deposits	19.97	6.99
(b) Advance to Related parties	2,739.74	337.25
(c) Other Advances	13.09	14.55
Total	**2,772.80**	**358.79**

Note 9 - Other Financial Assets

		(Rs. In Lakhs)
Particulars	**As on 31st March, 2019**	**As on 31st March, 2018**
Fixed Deposits with Bank (more than 12 months)	-	78.97
Total	-	**78.97**

Notes to the Financial Statements

For year ended 31st March 2019

Note 10 - Deferred Tax Asset

Rs. (In Lakhs)

Particulars	As on 31st March, 2019	As on 31st March, 2018
At the Start of the year	154.79	217.37
Charges/(credit) to profit and loss	(51.66)	62.57
At the end of the year	103.13	154.79
Deferred tax Asset		
Related to Property, Plant and Equipment	21.10	25.28
Provision for Gratuity/Leave Encashment	15.61	11.61
Provision for Doubtful Debtors	66.42	117.89
Total	**103.13**	**154.79**

Note 11 – Inventories

Rs. (In Lakhs)

Particulars	As on 31st March, 2019	As on 31st March, 2018
[As taken, valued and certified by the Management]		
a. Raw Materials and components	356.52	**182.28**
b. Work-in-progress	75.23	**42.66**
c. Finished goods	39.83	**54.70**
Total	**471.58**	**279.64**

Note 12 - Trade Receivables

Rs. (In Lakhs)

Particulars	As on 31st March, 2019	As on 31st March, 2018
[UNSECURED, considered good unless otherwise stated]		
Considered Good	2,314.53	2,072.01
Credit Impaired	255.47	381.53
Less: Allowance for expected credit loss	(255.47)	(381.53)
Total	**2,314.53**	**2,072.01**
Trade Receivable stated above include debts due by:		
Particulars	**As on 31st March, 2019**	**As on 31st March, 2018**
Subsidiary Companies	389.35	2.23
Total	**389.35**	**2.23**

Note 13 - Cash and Cash Equivalents

(Rs. In Lakhs)

Particulars	As on 31st March, 2019	As on 31st March, 2018
a. Cash on hand	45.16	0.76
b. Balances with banks	362.05	386.67
Total	**407.21**	**387.43**
Bank Balances include:		
Earmarked Balances	88.07	90.55
Margin money	1.34	1.34

Notes to the Financial Statements

For year ended 31st March 2019

Note 14 - Other Financial Assets

Rs. (In Lakhs)

Particulars	As on 31st March, 2019	As on 31st March, 2018
Accrued Interest/Dividend Receivable	11.04	30.91
Total	**11.04**	**30.91**

Note 15 - Other Current Asset

Rs. (In Lakhs)

Particulars	As on 31st March, 2019	As on 31st March, 2018
Balances with Government Authorities	352.02	379.89
Advance to Suppliers	18.89	-
Prepaid Expenses	4.52	4.75
Total	**375.43**	**384.64**

Note 16 - Share Capital

Rs. (In Lakhs)

Particulars	As on 31st March, 2019		As on 31st March, 2018	
	Number (In Lakhs)	Amount (Rs. In Lakhs)	Number (In Lakhs)	Amount (Rs. In Lakhs)
Authorised	200.00	2,000.00	200.00	2,000.00
200,00,000 (31st March 2018 : 200,00,000) Equity Shares of Rs. 10 each				
Issued, Subscribed & Paid up	153.55	1535.52	137.32	1373.18
153,55,242 (31st March 2018 : 137,31,828) Equity Shares of Rs. 10 each fully paid up				
Total	**153.55**	**1535.52**	**137.32**	**1373.18**

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As on 31st March, 2019		As on 31st March, 2018	
	Number (In Lakhs)	Amount (Rs. In Lakhs)	Number (In Lakhs)	Amount (Rs. In Lakhs)
Equity Shares outstanding at the beginning of the year	137.32	1373.18	132.32	1323.18
Add : Preferential allotment during the year	16.23	162.34	5.00	50.00
Equity Shares boght back during the year	-	-	-	-
Equity Shares outstanding at the end of the year	153.55	1535.52	137.32	1373.18

Shares in the company held by each shareholder holding more than 5 percent shares

	As on 31st March, 2019		As on 31st March, 2018	
Name of Shareholder	**No. of Shares**	**% of Holding**	**No. of Shares held**	**% of Holding**
Kilitch Company Pharma Limited	6629342	43.17	6629342	48.27
Mukund Prataprai Mehta	1739763	11.33	1566763	11.41
Bhavin Mukund Mehta	1153300	7.51	353300	2.57
Neeta Mukund Mehta	1111768	7.24	484768	3.53

The company has only one class of Equity Shares having a face value of Rs. 10 per share. Each holder of Equity Share is entitled to one vote per share.

Notes to the Financial Statements

For year ended 31st March 2019

Note 17 - Other Equity

Rs. (In Lakhs)

Particulars	As on 31st March, 2019	As on 31st March, 2018
a. Securities Premium	3,832.63	3,023.13
b. General Reserve	1,511.76	1,511.76
c. Employee Stock Options	112.45	137.94
d. Other Equity (Money received against Share Warrants)	-	236.00
e. Other Reserves (Call on shares forfeited A/c)	58.00	58.00
f. Retaining Earnings As per last Balance Sheet	6,418.92	5,799.33
Less: Dividend for 2018 [incl. DDT] - declared in AGM	92.56	-
(+) Net Profit For the current year	1,476.73	619.59
	7,803.09	**6,418.92**
g. Other Comprehensive Income		
As per last Balance Sheet	360.61	293.80
(+/-) Change in Fair value of Investments at FVOCI	(105.69)	66.81
At the end of the Year	254.92	360.61
Total	**13,572.84**	**11,746.37**

Note 18 – Provisions

Rs. (In Lakhs)

Particulars	As on 31st March, 2019	As on 31st March, 2018
Provisions for Gratuity	41.34	-
Total	**41.34**	-

Note 19 – Borrowings

Rs. (In Lakhs)

Particulars	As on 31st March, 2019	As on 31st March, 2018
Bank Overdraft (Kotak Bank)	122.91	82.47
Export Packing Credit Loan (Kotak Bank)	812.80	-
Total	**935.71**	**82.47**

The above stated Borrowings were secured against the Mutual Funds managed by Kotak Wealth.

Note 20 - Trade Payables

Rs. (In Lakhs)

Particulars	As on 31st March, 2019	As on 31st March, 2018
i) Dues to Micro & Small Enterprises	-	-
ii) Dues to Others	546.90	765.92
Total	**546.90**	**765.92**

Note 21 - Other financial liabilities

Rs. (In Lakhs)

Particulars	As on 31st March, 2019	As on 31st March, 2018
(a) Unpaid dividends	88.07	90.55
Total	**88.07**	**90.55**

Notes to the Financial Statements

For year ended 31st March 2019

Note 22 – Provisions

Rs. (In Lakhs)

Particulars	As on 31st March, 2019	As on 31st March, 2018
Provision for employee benefits:		
Salary & Reimbursements	49.45	43.47
Gratuity	12.15	35.72
Leave Encashment	6.55	1.87
Total	**68.15**	**81.06**

Note 23 - Current Tax Liabilities

Rs. (In Lakhs)

Particulars	As on 31st March, 2019	As on 31st March, 2018
Tax Liability	171.83	196.56
Total	**171.83**	**196.56**

Note 24 - Other Current Liabilities

Rs. (In Lakhs)

Particulars	As on 31st March, 2019	As on 31st March, 2018
Statutory dues	82.72	19.86
Others	113.21	151.46
Provision for Expenses	46.52	28.77
Total	**242.45**	**200.09**

Note 25 - Revenue from Operations

Rs. (In Lakhs)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Sale of products/services:		
Local sales	734.92	299.55
Out Of Maharashtra Sales	456.62	343.67
Export Sales	8,365.41	4,351.32
[incl. Rs. 140.58 Lakhs to subsidiary Kilitch Estro Biotech PLC]		
Other operating revenues	84.82	69.11
(Less) Sales Return	-	(17.87)
Total	**9,641.76**	**5,045.78**

Note 26 - Other Income

Rs. (In Lakhs)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Interest Income	75.69	21.99
Dividend Income	23.94	35.83
Foreign Exchange Gain :		
Realised	93.64	26.29
Unrealised	-	50.17
Profit from Trading in Securities	-	11.49
Profit on Sale of Investments	240.71	94.66
Profit on Sale of Asset	-	0.05
Bad Debts Recovered	-	33.70
Sundry balances written back	17.51	-
Misc. Income	0.34	3.74
Total	**451.82**	**277.91**

Notes to the Financial Statements

For year ended 31st March 2019

Note 27 - Cost of Materials Consumed

Rs. (In Lakhs)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Opening Stock	182.28	206.35
Purchases	5,490.46	2,611.04
Less: Closing Stock	356.52	182.28
Total	**5,316.22**	**2,635.11**

Note 28 - Variation i n inventories of Finished Goods and work-In- progress

Rs. (In Lakhs)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March,2018
Opening Stock :		
Work-in-Process	42.66	10.78
Finished Goods	54.70	42.38
	97.36	53.16
Closing Stock :		
Work-in-Process	75.23	42.66
Finished Goods	39.83	54.70
	115.06	97.36
Total	(17.70)	(44.20)

Note 29 - Employee Cost

Rs. (In Lakhs)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March,2018
(a) Salaries and incentives	464.07	393.01
(b) Contributions to Provident fund	18.42	13.37
(c) Gratuity fund contributions & Leave Encashment	13.15	(1.33)
(d) Staff welfare expenses	27.25	16.87
Total	**522.89**	**421.93**

Note 30 - Export Product Registration/Commission

Rs. (In Lakhs)

Particulars	Year Ended 31st March, 2019	As on 31st March, 2018
Export Product Registration Expenses		
Export product registration	158.04	42.09
Export Expenses	44.43	3.30
Export Commission Expenses	481.46	294.04
Total	**683.93**	**339.43**

Note 31 - Other Expenses

Rs. (In Lakhs)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Consumption of stores and spare parts.	66.63	29.18
Labour Charges	136.84	112.97
Power and Fuel	141.18	109.45
Water Charges	6.14	4.83
Foreign Exchange Loss – Unrealised	69.02	-
Bank & Other Charges	26.62	41.01
Repairs to Buildings	2.47	7.41

Notes to the Financial Statements

For year ended 31st March 2019

Repairs – Others	82.14	68.19
Insurance	4.78	5.52
Rent, Rates and Taxes	13.80	7.27
Auditors Remuneration	22.50	7.50
Miscellaneous expenses	41.27	70.22
Donation	20.11	0.03
Directors' Sitting Fees	0.62	0.98
Foreign Travelling Expenses	68.65	104.84
Printing & Stationery	8.56	6.25
Professional charges	86.87	35.67
Communication Expenses	16.21	14.67
Vehicle Expenses	4.63	5.96
Travelling Expenses:		
Directors	8.07	4.05
Others	14.20	15.49
Factory	13.08	10.30
Business Promotion Expenses	106.76	39.05
Advertising / Sales Commission Expenses	1.64	2.94
Discount Allowed [Sales]	5.44	4.96
Clearing & Forwarding Expenses	86.23	29.70
Calibration/validation Charges	2.32	1.49
Bad Debts/Balances written off	380.50	285.84
Loss on trading in Securities	12.24	-
Loss by Theft / Transit	0.02	-
Share of Loss from Partnership Firm	0.27	0.24
Freight	129.23	141.60
Provisions for Expected Credit Loss	(126.06)	(39.73)
Office expenses	20.68	8.66
VAT Refund Disallowed	3.82	-
Total	**1,477.48**	**1,136.55**

Note 32 - Disclosure as per IND AS – 19 "employee benefits".

(A) Expenses recognised for Defined Contribution Plan:
Employer's Contribution to Provident and Pension Fund Rs . 11.08 Lakhs (PY Rs. 6.99 Lakhs).
Employer's Contribution to ESIC Rs. 3.67 Lakhs (PY Rs. 3.78 Lakhs)

The Company makes contributions towards provident fund and pension fund for qualifying emp loyees to the Regional Provident Fund Commissioner.

B) Expenses recognised Defined Benefit Plan:

The company provides gratuity benefit to its employees which is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognised in the same manner as gratuity.

Notes to the Financial Statements

For year ended 31st March 2019

i. Change in Defined Benefit Obligation during the year

(Rs. in Lakhs)

Particulars	2018-19	2017-18
	Gratuity	Gratuity
Present value of the obligation at the beginning of the year	35.72	37.14
Current Service Cost	2.68	4.13
Interest Cost	6.91	2.79
Actuarial (Gain) / Loss on Obligation	8.39	(7.37)
Benefits Paid	(0.20)	(0.97)
Present value of the obligation at the end of the year	53.50	35.72

ii. Change in Fair Value of Assets and Obligations

The Company has initiated to contribute to a fund managed by LIC as required by Law against its liabilities. Accordingly The Company has made an agreement to contribute the Liabilities amount evenly for a period of 5 Years in quarterly payments. Accordingly the company has contributed an amount equivalent of Rs. 6.57 Lakhs during the FY 2018-19 towards the Gratuity Fund Managed by Life Insurance Corporation of India.

iii. Amount to be recognized in Balance sheet

(Rs. in Lakhs)

Particulars	2018-19	2017-18
	Gratuity	Gratuity
Present Value of Defined Benefit Obligation	53.50	35.72
Fair value of Plan Assets at the end of the year	-6.92	-
Amount to be recognized in Balance sheet	46.57	35.72

iv. Current/Non -Current bifurcation

(Rs. in Lakhs)

Particulars	2018-19	2017-18
	Gratuity	Gratuity
Current Benefit Obligation	12.16	35.72
Non - Current Benefit Obligation	41.34	-

v. Expenses recognised in the statement of financial position for the year

(Rs. in Lakhs)

Particulars	2018-19	2017-18
	Gratuity	Gratuity
Current Service Cost	6.91	4.13
Interest cost on Ob ligation	2.60	2.79
Net Actuarial (Gain) / Loss recognised in the year	8.39	(7.37)
Net Cost Included in Personnel Expenses	17.90	(0.46)

vi. Maturity profile of defined benefit obligation

(Rs. in Lakhs)

Particulars	2018-19	2017-18
Within the next 12 months	11.53	10.44
between 2 to 5 Years	13.06	6.83
between 6 to 10 Years	36.20	105.32

Notes to the Financial Statements

For year ended 31st March 2019

vii. Actuarial Assumptions used for estimating defined benefit obligations

(Rs. in Lakhs)

Particulars	2018-19	2017-18
Discount Rate	7.75% P.A.	7.50% P.A.
Salary Escalation Rate	6.50% P.A.	6.50% P.A.
Expected Return on Plan Assets	-	-
Mortality Rate	IALM (2006 -08)	IALM (2006 -08)
Withdrawal Rate	1.00%	1.00%
The Weighted Average Duration of the Plan	13 Years	14 years
No. of Employees	98	33
Average Age	36	43
Total Salary (Rs. in Lakhs)	184.19	95.04
Average Salary (Rs. in Lakhs)	15.35	7.92
Average Service	5 Years	12.21 Years
Accrued Benefit	53.50	39.08
Actuarial Liability	46.57	35.72

Notes:

1. Salary escalation rate is arrived after taking into account regular increments, price inflation and promotion and other relevant factors such as supply and demand in employment market.
2. Discount rate is based on prevailing market yields of Indian Government Securities as at balance sheet date for estimated term of obligations.
3. Attrition rate/ withdrawal rate is based on Company's policy towards retention of employees, historical data and industry outlook.
4. The above information is certified by actuary.

viii. Sensitivity analysis:

Increase/ (decrease) on present value of defined benefits obligations at the end of the year:

(Rs. in Lakhs)

Particulars	Change in assumption	Effect on Gratuity obligation	
		2018-19	2017-18
Discount rate	+1%	48.65	32.82
	-1%	59.20	39.08
Salary Escalation rate	+1%	59.22	39.08
	-1%	48.56	32.77

These gratuity plan typically expose the Company to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

Investment Risk:

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. For other defined benefit plans, the discount rate is determined by reference to market yield at the end of reporting period on high quality corporate bonds when there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit.

Interest risk

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan debt investments.

Notes to the Financial Statements
For year ended 31st March 2019

Longevity risk
The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk
The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

C) Unfunded Schemes – Earned Leaves

(Rs.in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Present value of unfunded obligations	6.55	1.80
Expenses recognised in the statement of profit andloss	(0.70)	(0.87)
In Other comprehensive income		
Actuarial (Gain) / Loss - Plan liabilities	-	-
Actuarial (Gain) / Loss - Return On Plan Assets	-	-
Net (Income)/ Expense For the period Recognized in OCI	-	-
Discount rate (per annum)	7.75%	7.50%
Salary escalation rate (per annum)	6.50%	6.50%

Note 33 - Segment Reporting

The Company is mainly engaged in the development and operations of Pharmaceutical business. Accordingly, the Company has only one identifiable segment reportable under Ind AS 108 - Operating Segments.

Managing Director (the 'Chief Operational Decision Maker' as defined in Ind AS 108) monitors the operating results of the company's business for the purpose of making decisions about resource allocation and performance assessment.

The revenues from transactions with a single customer exceeding 10 per cent or more of the company's revenues were stated below:

Party Name	Country	Amount (Rs. In Lakhs)
Pharmaceuticals Fund and Supply Agency	Ethiopia	326.69
Kilitch Estro Biotech PLC.	Ethiopia	140.58
Cameg	Burkina Faso	122.40
Grand Total		**589.67**

Note 34 - Related Party Disclosures

In view of the INDAS 24 "Related Parties Disclosures", the disclosure in respect of related party transactions for the year ended on 31st March 2019 is as under:

RELATIONSHIPS
Category I : Subsidiaries of the Company
Indian Subsidiary – Monarchy Healthserve Private Limited
Foreign Subsidiary – Kilitch Estro Biotech PLC

Notes to the Financial Statements

For year ended 31st March 2019

Category II : Key Managerial Personnel	
Key Person	**Designation**
Mukund Prataprai Mehta	Chairman & Managing Director
Bhavin Mukund Mehta	Whole -time Director
Mira Bhavin Mehta	Whole -time Director
Category III : Ent erprises over which Key Managerial Personnel are able to exercise significant control	
NBZ Healthcare LLP.	
Arham Neeta Realties LLP	
Kilitch Pharma (Co.) Ltd.	

	Transactions during the year:			(Rs. In Lakhs)
	TRANSACTIONS	Category I	Category II	Category III
1	Purchases	-	-	281.31 (11.5)
2	Sales	1423,82 (1.03)	-	116.67 (7.02)
3	Director's Remuneration and Sitting Fees	-	168.00 (148.00)	-
4	Expenses incurred by KDL	Nil (1.32)	26.21 (51.69)	-
5	Advance/Loan Given to Parties	2340.95 (246.01)	-	1134.87 (62.88)
6	Advance Returned By Parties	-	-	937.41 (29.88)
7	Reimbursement of Expenses [Net]	-	20.91 (155.08)	-
8	Issue of Shares and Warrants	-	708.00 (531.00)	-
9	Interest accrued on Loan	59.33 (4.06)	-	-

The following balances were due from / to the related parties as on 31 -03-2019

Sr.No.	TRANSACTIONS	Category I	Category II	Category III
1	Advances Given	2739.05 (337.25)		-49.94 (33.90)
2	Trade Receivables	389.35 (2.23)		Nil (Nil)

Note: Figures in brackets indicates previous year figure.

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.
Review of outstanding balances is undertaken each financial year through examining the financial position of the related party and the market in which related party operates. These balances are unsecured and their settlement occurs through banking channel.

Notes to the Financial Statements
For year ended 31st March 2019

Compensation of key management personnel:
The remuneration of director and other member of key management personnel during the year was as follows:

(Rs. In Lakh)

Particulars	2018-19	2017-18
Short-term benefits	168.00	148.00
Other long term benefits	-	-

Note 35 - Earning per Share (EPS)

Basic as well as Diluted EPS	2018-19	2017-18
Net Profit after Tax (Rs. in Lakhs)	1476.73	619.59
Weighted Average No. of Equity Shares for Basic EPS (No. In Lakhs)	146.76	132.36
Weighted Average No. of Equity Shares for Diluted EPS	146.76	140.82
Nominal Value of Equity Shares (Rs.)	10	10
Basic Earnings Per Share (Rs.)	10.06	4.68
Diluted Earnings Per Share (Rs.)	10.06	4.40

Note 36 - Contingent liabilities not provided for in Respect of:

a) Disputed Statutory Dues in respect of Income Tax aggregating to Rs. 503.66 Lakhs (P.Y. Rs. 503.66 Lakhs) pertaining to A.Y. 2008-09 have not yet been deposited as the aforesaid matter in pending before CIT (Appeals).The impact thereof, if any, on the tax position can be ascertained only after the disposal of the appeals. Accordingly, the accounting entries arising there from will be passed in the year of the disposal of the said appeals.

b) Demand notices received on account of Property Tax pertaining to FY 2018-19 is aggregating Rs. 53.20 Lakhs (P.Y. Rs. 45.73 Lakhs) are disputed by the Company. The Company has filed a suit and the matter is pending the Supreme Court and Company has not yet deposited any amount in this regard.

c) Demand notices received on account of principal amount of CESS during FY 2018-19 pertaining to FY 1999-2000 and FY 2000-2001 is aggregating Rs. 22.85 Lakhs (P.Y. Rs. 22.85 Lakhs) are disputed by the Company. The Company has filed a suit and the matter is pending the Supreme Court and Company has not yet deposited any amount in this regard.

The above litigations are not expected to have any material adverse effect on the financial position of the company.

Note 37 - Auditors' Remuneration:

Particulars	2018-19 (Rs. In Lakhs)	2017-18 (Rs. In Lakhs)
Audit fees	15.00	7.50
Other Professional Fees	7.50	-
Total	22.50	7.50

Notes to the Financial Statements

For year ended 31st March 2019

Note 38 - loans and Advances In the nature of loans given to Subsidiaries and Associates:

(Rs. In Lakhs)

Sr. No.	Particulars	Relationship	As at 31 st March 2019	Maximum balance during the year	As at 31 st March 2018	Maximum balance during the year
1	Monarchy Healthserve Private Limited	Subsidiary	122.37	122.37	106.08	106.08
2	Kilitch Estro Biotech PLC	Subsidiary	2616.67	2616.67	231.17	231.17

Note 39 – Impairment of Assets

The Company's Board, out of abundant caution and as a prudent practice in line with the standard accounting practices has not made any impairment provision against its investments for the financial year 2018-19.

Note 40 – Third Party Balance Confirmation

The balances in respect of Trade Receivables & Payables, loans and advances, as appearing in the books of accounts are subject to confirmations by the respective parties and adjustments/reconciliation arising there from, if any.

Note 41 – Investment in Limited Liability Partnership

The Company is a partner in a partnership firm M/s. Arham Neeta Realties LLP. The accounts of the partnership firm have been finalized up to the financial year 2018-19. The details of the Capital Accounts of the Partners as per the latest Financial Statements of the firm are as under:

				(Rs. in Lakhs)
Sl. No.	Name of the Partners	Profit Sharing Ratio	Total Capital on 31st March 2019	Total Capital on 31st March 2018
1	Kilitch Drugs (India) Limited	65%	2246.73	2246.34
2	Mukund Mehta	15%	(1.99)	(2.07)
3	Bhavin Mehta	15%	(1.99)	(2.07)
4	Mira Mehta	2.5%	(1.93)	(1.95)
5	Neeta Mehta	2.5%	(1.93)	(1.95)

The Company has accounted for its share of loss amounting to Rs. 0.27 Lakhs (P.Y. Rs. 0.24 Lakhs) pertaining to Financial Year 18-19.

Note 42 - Event after Reporting Date:

The Board of Directors have recommended dividend of Re. 0.50 per fully paid up equity share of Rs. 10 /- each, aggregating Rs. 92.56 lakhs, including Rs. 15.79 lakhs dividend distribution tax for the financial year 2018-19, which is based on relevant share capital as on March 31, 2019. The actual dividend amount will be dependent on the relevant share capital outstanding as on the record date/book closure.

Note 43 - Corporate Social Responsibility:

The company is required to comply the requirements of CSR as per Section 135 of the Companies Act, 2013 read with Schedule VII. Accordingly the company has spent an amount of Rs. 2.74 Lakhs during the Financial Year 2018-19.

Notes to the Financial Statements
For year ended 31st March 2019

Note 44 - Fair Value of Financial Assets and Liabilities:

Set out below is the comparison by class of carrying amounts and fair value of Company's financial instruments that are recognised in the financial statements.

Particulars	As at 31st March 2019		As at 31st March 2018	
	Carrying Value (Rs. In Lakhs)	Fair Value (Rs. In Lakhs)	Carrying Value (Rs. In Lakhs)	Fair Value (Rs. In Lakhs)
Financial assets designated at fair value through Other Comprehensive Income				
Investments				
in Equity shares	4,795.46	4,795.46	4,724.93	4,724.93
in Bonds	81.47	81.47	53.24	53.24
in Mutual Funds	2,841.62	2,841.62	3,029.34	3,029.34
Financial assets designated at amortised cost				
Investments				
Capital Investment in Partnership Firm	2,246.73	2,246.73	2,246.34	2,246.34
Trade Receivables	2,314.53	2,314.53	2,072.01	2,072.01
Cash and Cash Equivalents	407.21	407.21	387.43	387.43
Loans and Advances	2,772.80	2,772.80	358.79	358.79
Other financial assets	-	-	78.97	78.97
Total	**15,625.8 2**	**15,625.82**	**8,250.31**	**8,250.31**
Financial liabilities designated at amortised cost				
Borrowings - Fixed rate	935.71	935.71	82.47	82.47
Trade payables and others	546.9	546.9	765.92	765.92
Other financial liabilities	88.07	88.07	90.55	90.55
Total	**1570.68**	**1570.68**	**939.04**	**939.04**

Fair valuation techniques:

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available.

The following methods and assumptions were used to estimate the fair values

- Fair value of the Equity Shares are based on price quoted on stock exchange.
- Fair value of investment in unquoted equity shares are considered same as carrying value as the same are recently acquired.
- Fair value of Financial Assets & Financial Liability (except which are show at their fair value) are carried at amortised cost is not materially different from its carrying cost.

Fair Value hierarchy:

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 3 as described below:

Level 1: Quoted prices / published NAV (unadjusted) in active markets for identical assets or liabilities. It includes fair value of financial instruments traded in active markets and are based on quoted market prices at the balance sheet date.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). Fair value of the financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the company specific estimates. If all significant inputs required to fair value an instrument are observable then instrument is included in level 2

Notes to the Financial Statements

For year ended 31st March 2019

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(Rs. In Lakhs)

Purchases	As at 31st March 2018			As at 31st March 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets /Liab ilities measured at fair Value						
Investments						
- in Equity shares	4,795.46	-	-	4,724.93	-	-
- in Bonds	81.47	-	-	53.24	-	-
-in Mutual Funds	2,841.62	-	-	3,029.34	-	-

Note 45 - Financial Risk Management:

The Company's activities expose it to credit risk, liquidity risk and market risk. This note explains the sources of risks which the entity is exposed to and how it mitigates that risk.

Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings and investments in securities.

Foreign currency risk:

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company is exposed to foreign exchange risk through purchases of goods or services from overseas supplier in foreign currency. The Company generally transacts in US dollar. The foreign exchange rate exposure is balanced by purchasing of goods or services in the respective currency.

The Company is exposed to insignificant foreign exchange risk as at the respective reporting dates.

Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company is not exposed to interest rate risk as the Company has fixed rate of borrowings as at the respective reporting dates.

Commodity and Other price risk

The Company is not exposed to the commodity and other price risk.

Credit Risk

Credit risk is the risk of financial loss to the Company that a customer or counter party to a financial instrument fails to meet its obligations. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, mutual funds, financial institutions and other financial instruments

Notes to the Financial Statements
For year ended 31st March 2019

Trade and other receivables:

The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. To manage credit risk, the Company periodically assesses the financial reliability of the customer, taking into account the financial condition, current economic trends, and analysis of historical bad debts and aging of accounts receivables. Outstanding customer receivables are regularly monitored to make an assessment of recoverability. Receivables are provided as doubtful / written off, when there is no reasonable expectation of recovery. Where receivables have been provided / written off, the Company continues regular follow-up, engage with the customers, legal options / any other remedies available with the objective of recovering these outstanding.

The Company is not exposed to concentration of credit risk to any one single customer since services are provided to vast spectrum and hence, the concentration of risk with respect to trade receivables is low. The Company also takes security deposits, advances, post-dated cheques etc. from its customers, which mitigate the credit risk to an extent."

Cash and cash equivalents another investments:

The Company is exposed to counter party risk relating to medium term deposits with banks and investment in mutual funds.

The Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances and deposits are maintained. Generally, the balances are maintained with the institutions with which the Company has also availed borrowings. "

Exposure to credit risk:

The gross carrying amount of financial assets, net of impairment losses recognised represents the maximum credit exposure.

The maximum exposure to credit risk as at 31st March 2019 and 31st March 2018 is as follows:

Particulars	As at 31st March 2019 (Rs. In Lakhs)	As at 31st March 2018 (Rs. In Lakhs)
Financial assets for which loss allowances is measured using 12 months Expected Credit Losses (ECL):		
Other Investments	-	-
Cash and cash equivalents	407.21	387.43
Loans and advances	2,772.80	358.79
Other financial assets	-	78.97
Financial assets for which loss allowances is measured using Life time Expected Credit Losses (ECL):		
Trade receivables	2,314.53	2,072.01

Notes to the Financial Statements

For year ended 31st March 2019

Life time Expected credit loss for Trade receivables under simplified approach

Aging of Trade Receivables	Past Due						(Rs. In Lakhs)
	0-120 Days	120-150 days	150-180 days	180-365 days	365-730 Days	Greater than 730 days	Total
As at 31st March 2019							
Gross Carrying Amount	1816.74	29.40	75.57	433.72	39.96	174.61	2,570.00
Expected credit losses (Loss allowance provision)	-	(0.59)	(8.78)	(83.23)	(19.99)	(142.88)	(255.47)
Net Carrying Amount	**1816.74**	**28.81**	**66.79**	**350.49**	**19.97**	**31.73**	**2,314.53**
As at 31st March 2018							
Gross Carrying Amount	1,352.73	62.33	46.78	110.82	294.32	586.57	2,453.55
Expected credit losses (Loss allowance provision)	-	(1.25)	(2.34)	(11.08)	(73.58)	(293.29)	(381.54)
Net Carrying Amount	**1,352.73**	**61.08**	**44.44**	**99.74**	**220.74**	**293.28**	**2,072.01**

Reconciliation of Changes in the life time expected credit loss allowance:

Particulars	**2018-19**	**2017-18**
Loss allowance on 1 April	381.53	421.25
Provided during the year	-	-
Reversal of provision	-126.06	-39.72
Loss allowance on 31st March	255.47	381.53

Cash and Cash equivalent, other Investment, Loans and other financial assets are neither past due nor impaired. Management is of view that these financial assets are considered good and 12 months ECL is not provided.

Liquidity risk:

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company relies on a mix of borrowings, capital infusion and excess operating cash flows to meet its needs for funds. The current borrowings are sufficient to meet its short to medium term expansion needs. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

The Company is required to maintain ratios (such as debt service coverage ratio and secured coverage ratio) as mentioned in the loan agreements at specified levels and also cash deposits with banks to mitigate the risk of default in repayments. In the event of any failure to meet these covenants , these loans become callable to the extent of failure at the option of lenders, except where exemption is provided by lender.

Notes to the Financial Statements

For year ended 31st March 2019

Particulars	As at 31st March 2019					
	Carrying Amount	On Demand	Less than 12 months	2-5 years	>5 years	Total
Borrowings	935.71	935.71				935.71
Other Financial Liabilities	88.07	88.07				88.07
Trade and other payables	546.90	546.90				546.90

Particulars	As at 31st March 2018					
	Carrying Amount	On Demand	Less than 12 months	2-5 years	>5 years	Total
Borrowings	82.47	82.47				82.47
Other Financial Liabilities	90.55	90.55				90.55
Trade and other payables	765.92	765.92				765.92

Capital management

The primary objective of the Company's capital management is to maximize the shareholder value. The Company's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Company's ability to continue as a going concern in order to support its business and provide maximum returns for shareholders. The Company also proposes to maintain an optimal capital structure to reduce the cost of capital. No changes were made in the objectives, policies or processes during the year ended March 31, 2019 and March 31, 2018.

For the purpose of the Company's capital management, capital includes issued capital, share premium and all other equity reserves. Net debt includes, interest bearing loans and borrowings, trade and other payables less cash and short term deposits.

Particulars	2018-19	2017-18
Loans and Borrowings	935.71	82.47
Less: Cash and cash equivalents + Bank Deposits	418.25	418.34
Net Debt	517.46	(335.87)
Total Capital	15,108.36	13,119.55
Capital + Net Debt	15,625.82	12,783.68
Gearing Ratio	0.03	-

Note 46 – Taxation :

Income tax related to items charged or credited to profit or loss during the year:

A. Statement of Profit or Loss		(Rs. In Lakhs)
Particulars	**2018-19**	**2017-18**
1. Current Income Tax (Net of MAT Credit)	424.08	33.48
2. Deferred Tax expenses/ (benefits):		
Relating to origination and reversal of temporary differences	51.66	62.57
Total Income tax Expenses (1 to 2)	**475.74**	**96.05**

Notes to the Financial Statements

For year ended 31st March 2019

B. Reconciliation of Current Tax expenses:		(Rs. In Lakhs)
Particulars	**2018-19**	**2017-18**
Profit /(Loss) from Continuing operations	1952.48	715.64
Applicable Tax Rate	25.00%	25.00%
Computed tax expenses	488.12	178.91
Income not allowed/exempt for tax purposes	11.27	-21.47
Expenses not allowed for tax purposes	-137.36	-33.97
Other temporary allowances	-37.98	-152.15
Tax paid at lower rate	22.51	15.64
Additional Tax payable due to MAT provisions	77.52	46.52
	424.08	**33.48**

Deferred Tax Recognised in statement of profit and Loss relates to the following:		(Rs. In Lakhs)
Particulars	**2018-19**	**2017-18**
Difference between book and Tax depreciation	4.18	-1.67
Expenses allowable on payment basis	47.48	64.24
Deferred Tax Liabilities/ (Asset)	51.66	**62.57**

Reconciliation of deferred tax liabilities/(asset) net:		(Rs. In Lakhs)
Particulars	**2018-19**	**2017-18**
Opening balance as on 1st April	154.79	217.37
Tax expenses / (income) during the period	(51.66)	(62.57)
Closing balance as on 31st March	**103.13**	**154.79**

Note 47 – Share Based Payments and Arrangements:

As per the ESOS, 2007 as amended from time to time the outstanding ESOPs which can be exercised by our employees at Rs. 10 each (Face Value Rs. 10/ share). Detailed analysis of the same has been enumerated below:

Sr. No.	Particulars of Options / Scheme	Total (Numbers)
1	Outstanding as at beginning of the Period	153,930
2	Granted during the Period	48,529
3	Forfeited/Cancelled/Lapsed during the Period	17,291
4	Exercised and allotted during the Period	23,414
5	Outstanding as at the end of the Period	161,754

Notes to the Financial Statements

For year ended 31st March 2019

Note 48 - The previous year figures have been regrouped, reworked, rearranged and reclassified, wherever necessary and are to be read in relation to the amounts and other disclosures relating to the current year.

As per our report of even date
For A. M. Ghelani & Company
Chartered Accountants
FRN:103173W

Ajit M. Ghelani
Partner
M. No. 012576

Mumbai
Dated: 30th May 2019

For and on behalf of the Board of Directors
Kilitch Drugs India Limited

Mukund P. Mehta
(Managing Director)

Bhavin M. Mehta
(Whole-time Director)

Sujit Kumar Dash
Chief Financial Officer

Harshal Anant Patil
(Company Secretary)

Independent Auditors' Report

TO
THE MEMBERS
KILITCH DRUGS (I) LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated financial statements of **Kilitch Drugs (India) Limited** (herein referred to as the Holding Company) and its subsidiaries (the Holding company and its subsidiaries together referred together as "The Group"), comprising of the Consolidated Balance Sheet as at March 31, 2019 the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the consolidated profit and total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No.	Key Audit Matters	Response to Key Audit Matters
1.	Revenue Recognition [Sales]	Obtaining an understanding of and assessing the design, implementation and operating effectiveness of the Company's key internal controls over revenue recognition process. • Testing a sample of contracts/sales documents and testing the revenues recognised with respect thereto by agreeing information back to contract terms. • Testing the controls over the sale data collated for the purpose of recognizing the revenue on sample basis. • Assessing the adequacy of company's disclosure with respect to revenue recognised.
2.	Trade Receivables	Our audit procedures to assess the appropriateness of Trade receivables disclosure and provision against trade receivables included in the Note 12 & Note 3 paragraph "H" of significant accounting policies.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The respective Board of directors of the entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors are also responsible for overseeing the Company's financial reporting process of each entity.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

• Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(I) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

• Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

Communication with those charged with Governance

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

1. (a) The accompanying Statement includes Financial statements and other information of one subsidiary which reflects total assets of Rs. 2,387.09 Lakhs as at 31st March, 2019, total revenue of Rs. 56.19 Lakhs for the year ended 31st March, 2019, which have been audited by us.

(b) We have relied on the unaudited financial statements of one foreign subsidiary, whose financial statements reflects total assets of Rs. 3,567.27 Lakhs as at 31st March, 2019, as considered in the consolidated financial results. These unaudited financial statements have been furnished to us by the management and our opinion on the statement, in so far as it relates to the amounts included in respect of the said subsidiary is solely based on such unaudited financial statements certified by the management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143 of the Act (11 of 2013), we give in the Annexure a statement on the matters specified in paragraph 3 and 4 of the Order.

2. As required under provisions of section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

c. The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of changes in Equity dealt with by this report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

d. In our opinion, the aforesaid consolidated financial statements comply with the accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e. On the basis of written representations received from the directors of the Holding Company as on 31st March, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate companies incorporated in India, none of the directors of the Group companies and its associate companies incorporated in India is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of the internal financial control over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of the pending litigations on its financial position vide Note No. 36 to the consolidated Ind AS financial statements.

ii. The Company did not have any long term contracts including derivative contracts that require provision under any law or accounting standards for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group and its associates.

For A.M. Ghelani & Company
Chartered Accountants
Firm Registration No. : 103173W

Ajit M. Ghelani
Partner
Membership No. : 012576

Date : 30th May 2019
Place : Mumbai

"Annexure A" to Independent Auditors' report referred of even date on the Consolidated Financial Statements.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Kilitch Drugs (India) Limited (hereinafter referred to as ("the Holding") and its subsidiary companies (the Holding Company and its subsidiaries together referred to as "the Group") and its associate companies, which are companies incorporated in India as of 31st March, 2019 in conjunction with our audit of the consolidated financial statements of the Company for the year then ended.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies and its associate companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its subsidiary companies and its associate companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matters

Our report under Section 143(3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting, in so far as it relates to separate financial statements of 2 subsidiaries, is based on the corresponding reports of the auditor in one subsidiary and unaudited financial statements as certified by the management of the other subsidiary.

For A.M. Ghelani & Company
Chartered Accountants
Registration No : 103173W

Ajit M. Ghelani
Partner
Membership No.: 012576

Place : Mumbai
Dated : 30th May 2019

Consolidated Balance Sheet

As on 31st March 2019

(Rs. In Lakhs)

Particulars		As on 31st March, 2019	As on 31st March, 2018
ASSETS			
Non-current assets			
Property, Plant and Equipment	6	851.21	780.42
Capital work-in-progress	6	2,025.28	317.72
Other Intangible assets	6	2,362.03	2,443.39
Goodwill on Consolidation		-	72.53
Financial assets			
- Investments	7(A)	2,501.96	2,599.56
- Loans and Advances	8	34.26	21.54
- Other Financials Assets	9	-	78.97
Deferred tax assets (Net)	10	103.57	155.18
(A)		**7,878.31**	**6,469.31**
Current assets			
Inventories	11	471.58	279.64
Financial assets			
- Investments	7(B)	2,841.62	3,029.34
- Trade Receivables	12	1,943.59	2,069.49
- Cash and Cash Equivalents	13	794.01	477.26
- Other Financials Assets	14	56.00	58.02
Other Current Assets	15	381.03	384.41
(B)		**6,487.83**	**6,298.16**
TOTAL (A + B)		**14,366.14**	**12,767.47**
Equity			
Equity Share capital	16	1,535.52	1,373.18
Other Equity	17	10,570.21	9,829.55
Equity attributable to the owners		**12,105.73**	**11,202.73**
Non-controlling interest		209.66	73.13
(A)		**12,315.39**	**11,275.86**
Liabilities			
Non - Current Liabilities			
Provisions	18	41.34	-
Current liabilities			
Financial Liabilities			
- Borrowings	19	945.41	92.17
- Trade Payables- Others	20	434.63	771.55
- Other Financial Liabilities	21	88.07	119.32
Provisions	22	68.50	81.42
Current tax Liabilities (net)	23	171.83	196.55
Other Current Liabilities	24	300.97	230.60
(B)		**2,050.75**	**1,491.61**
TOTAL (A+B)		**14,366.14**	**12,767.47**
Significant Accounting Policies and Notes on Financial Statements	1 to 51		

As per our report of even date	
For A. M. Ghelani & Company Chartered Accountants	For and on behalf of the Board of Directors **Kilitch Drugs India Limited**
FRN:103173W	Mukund P. Mehta (Managing Director)
Ajit M. Ghelani	Bhavin M. Mehta (Whole-time Director)
Partner M. No. 012576	Sujit Kumar Dash Chief Financial Officer
Mumbai Dated: 30 th May 2019	Harshal Anant Patil (Company Secretary)

Consolidated Statement of Profit and Loss

For the year ended 31st March 2019

			(Rs. In Lakhs)
Particulars	Note No.	2018-19	2017-18
INCOME			
Revenue from Operations	25	8,248.99	5,101.18
Other Income	26	400.40	287.54
Total		**8,649.39**	**5,388.72**
EXPENDITURE			
Cost of Materials Consumed	27	4,834.51	2,643.97
Variation in inventories of finished goods & work-in- progress	28	(17.70)	(44.20)
Employee Costs	29	528.37	430.23
Finance Cost		37.91	-
Depreciation	6	205.11	204.24
Export Product Registration/Commission	30	683.93	339.43
Other expenses	31	1,518.60	1,203.79
Total		**7,790.73**	**4,777.46**
PROFIT BEFORE TAX EXCEPTIONAL ITEMS AND TAX		**858.66**	**611.27**
Add: Exceptional Item		-	-
PROFIT BEFORE TAX		**858.66**	**611.27**
Less :Tax Expenses			
Current Income Tax		(424.08)	(33.48)
Deferred Tax		(51.60)	(62.55)
PROFIT AFTER TAX		**382.98**	**515.26**
Add/(Less): Share of Profit/(Loss) in Associates		-	-
PROFIT AFTER TAX AND Before MINORITY INTEREST		**382.98**	**515.26**
Other comprehensive income			
A) Items that will not be reclassified To Profit & Loss A/c			
Realised Gain/(Loss) on Sale of Equity Instruments		(7.06)	
Change in fair value of Investments		(121.41)	96.68
Employee benefits		(8.39)	-
B) Income Tax relating to the items that will not be reclassified to Profit & Loss A/c			
Change in fair value of Investments		31.17	(29.87)
Total comprehensive income for the Year		**(105.69)**	**66.81**
PROFIT AFTER TAX & Comprehensive Income		277.29	582.07
Net Profit / (Loss) attributable to			
a) Owner of the Company		382.98	515.26
b) Non-Controlling interest		-	-
Other Comprehensive Income attributable to			
a) Owner of the Company		(105.69)	66.81
b) Non-Controlling interest		-	-
Total Income attributable to			
a) Owner of the Company		277.29	582.07
b) Non - Controlling interest		-	-
Earning per share			
(a) Basic (not annualised)		2.61	3.89
(b) Diluted (not annualised)		2.61	3.66
Significant Accounting Policies and Notes on Financial Statements	1 to 51		

As per our report of even date	
For A. M. Ghelani & Company Chartered Accountants	For and on behalf of the Board of Directors **Kilitch Drugs India Limited**
FRN:103173W	Mukund P. Mehta (Managing Director)
Ajit M. Ghelani	Bhavin M. Mehta (Whole-time Director)
Partner M. No. 012576	Sujit Kumar Dash Chief Financial Officer
Mumbai Dated: 30 th May 2019	Harshal Anant Patil (Company Secretary)

Consolidated Cash Flow Statement
For Year Ended 31st March 2019

				Rs. (In Lacs)
Particulars	For The Year Ended 31st March 2019		For The Year Ended 31st March 2018	
	[Rs.]	[Rs.]	[Rs.]	[Rs.]
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit / (Loss) before extraordinary items and tax		858.67		611.27
Adjustments for:				
Depreciation and amortisation	205.11		204.24	
Interest income	(16.36)		(21.99)	
Dividend income	(23.94)		(35.83)	
(Profit)/Loss on sale of Investments	(240.71)		(94.66)	
Share of (Profit)/ Loss from Partnership Firm	0.27		0.24	
Sundry Balances written back	(17.51)		(33.70)	
Bad debts written off	380.50		-	
Provision for Gratuity & Leave Encashment	13.20		(1.27)	
Preliminary Expenses written off	-		1.72	
Loss/(Profit) from Sale of assets	0.07		-	
Loss/(Profit) from Trading in Securities	12.24		(11.49)	
Bad Debts / Provision for Doubtful Debts	(126.06)		246.11	
Net unrealised exchange (gain) / loss	(0.24)	186.57	(50.17)	203.21
Operating profit / (loss) before working capital changes		1,045.24		814.47
Changes in working capital:				
Operating Assets:				
Inventories	(191.94)		(20.12)	
Trade receivables	(128.30)		(804.60)	
Other financial Assets	(3.59)		(22.09)	
Other current assets	9.00		(86.10)	
Deposits/Advances	(12.71)		(13.60)	
Operating Liabilities:				
Trade payables	(319.41)		237.69	
Other financial liabilities	-		18.44	
Other current liabilities	41.60		13.67	
Provisions	6.84	(598.52)	6.40	(670.31)
Gross cash flow from / (used in) operating activities		446.72		144.17
Direct Taxes (Paid) / refunded		(417.63)		(1.86)
Net cash flow from / (used in) operating activities		**29.09**		**142.31**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Fixed Assets Purchased	(1,902.17)		(348.81)	
Proceeds (Net) from the sale of Current investments	287.73		(224.65)	
(Purchase)/Sale (Net) of long-term investments:				
- Others	97.33		101.51	
Movement in other Bank balance	78.97		-	
Interest received	16.36		21.99	
Dividend received	23.94		4.93	
		(1,397.86)		(445.04)
		(1,397.86)		(445.04)
Net cash flow from / (used in) investing activities (B)		**(1,397.86)**		**(445.04)**

C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Shares issued [Net of Conversion of Warrants]	704.98		295.00	
Proceeds from Borrowings (Net of repayments)	853.25		23.66	
Money received against warrants	-		236.00	
Proceeds from Minorities	222.35			
Dividends paid(Inclusive of tax on Dividend)	(95.04)		(4.08)	
Net cash flow from / (used in) financing activities (C)		**1,685.53**		**550.58**
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		**316.75**		**247.86**
Cash and cash equivalents at the beginning of the year		477.26		229.40
Acquisition of New subsidiaries				-
Cash and cash equivalents at the end of the year		**794.01**		**477.26**
Cash and cash equivalents at the end of the year *				
* Comprises:				
(a) Cash on hand		45.30		0.91
(b) Balances with banks				
(i) In current accounts		660.64		385.80
(ii) In earmarked accounts		88.07		90.55
		794.01		**477.26**

As per our report of even date	
For A. M. Ghelani & Company Chartered Accountants	For and on behalf of the Board of Directors **Kilitch Drugs India Limited**
FRN:103173W	Mukund P. Mehta (Managing Director)
Ajit M. Ghelani	Bhavin M. Mehta (Whole-time Director)
Partner M. No. 012576	Sujit Kumar Dash Chief Financial Officer
Mumbai Dated: 30 th May 2019	Harshal Anant Patil (Company Secretary)

Consolidated Statement of Changes in Equity

For the year ended 31st March 2019

(a) Equity Share Capital

As at 1st April 2017	Changes during the Year	As at 31st March 2018	Changes during the Year	As at 31st March 2019
1,323.18	50.00	1,373.18	162.34	1,535.52

Statement of Changes in Other Equity

(Rs. In Lakhs)

Particulars	Securities Premium account	General Reserve	Employee Stock Options	Foreign Exchange Fluctuation Reserve	Other Equity	Other Reserves (Call on shares forfeited A/c)	Other Comprehensive Income	Surplus in the Statement of Profit and Loss	Capital reserve on consolidation	Total
Balance as on 1st April 2017	2,778.13	1,511.76	137.94	(1.23)	-	58.00	293.80	4,017.67	-	8,796.07
Profit/(Loss) for the Year	-	-	-	-	-	-	-	515.24	-	515.24
Change In Fair Value of Investments	-	-	-	(0.06)	-	-	66.81	-	-	66.75
Other Adjustments	-	-	-	-	-	-	(29.52)	-	-	(29.52)
Premium on issue of Shares during the year	245.00	-	-	-	-	-	-	-	-	245.00
Money Received Against Share Warrants	-	-	-	-	236.00	-	-	-	-	236.00
Balance as on 31st March 2018	**3,023.13**	**1,511.76**	**137.94**	**(1.29)**	**236.00**	**58.00**	**331.09**	**4,532.91**	**-**	**9,829.55**
Profit/(Loss) for the Year	-	-	-	-	-	-	-	382.97	-	382.97
Change In Fair Value of Investments	-	-	-	(5.35)	-	-	(105.69)	-	13.28	(97.76)
Other Adjustments	-	-	(25.50)	-	-	-	-	-	-	(25.50)
Premiumon issue of Shares during the year	809.50	-	-	-	-	-	-	-	-	809.50
Conversion of Share warrants into Equity Share Capital	-	-	-	-	(236.00)	-	-	-	-	(236.00)
Final Dividend Including DDT	-	-	-	-	-	-	-	(92.56)	-	(92.56)
Balance as on 31st March 2019	**3,832.63**	**1,511.76**	**112.44**	**(6.64)**	**-**	**58.00**	**225.40**	**4,823.32**	**13.28**	**10,570.21**

As per our report of even date	
For A. M. Ghelani & Company Chartered Accountants	For and on behalf of the Board of Directors **Kilitch Drugs India Limited**
FRN:103173W	Mukund P. Mehta (Managing Director)
Ajit M. Ghelani	Bhavin M. Mehta (Whole-time Director)
Partner M. No. 012576	Sujit Kumar Dash Chief Financial Officer
Mumbai Dated: 30 th May 2019	Harshal Anant Patil (Company Secretary)

Consolidated Notes to the Financial Statements

For year ended 31st March 2019

Note 1: Corporate Information

Kilitch Drugs India Limited ("KDIL" or ''Parent'') is domiciled and incorporated under the provisions of the Companies Act applicable in India and its shares are publicly traded on the National Stock Exchange ('NSE') and the Bombay Stock Exchange ('BSE'), in India. The registered office of the company is located at C-301-2, M.I.D.C. TTC Industrial Area, Pawane Village, Thane – 400705, Maharashtra, India.

Group is engaged in operation and management of Pharmaceutical Products.

These financial statements were approved and adopted by the Board of Directors of the Company in their meeting dated 30th May 2019.

Note 2 - Basis of Preparation of Financial Statements:

The Financial Statements have been prepared to comply in all material aspects with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The significant accounting policies used in preparing financial statements are set out in Note 3 of the Notes on Financial Statements and are applied consistently to all the periods presented.

Note 3 - Significant Accounting Policies:

A. Functional and presentation of currency:

The financial statements are presented in Indian Rupees, which is the Group's functional currency and all amounts are rounded to the nearest rupees in lakhs.

B. Basis of measurement:

The consolidated financial statements have been prepared on an accrual basis and under the historical cost convention except following which have been measured at fair value, except the following:

- Certain financial assets and liabilities are measured at fair value.

- Defined benefit plans – plan assets measured at fair value.

- Share Based Payments.

C. Basis of consolidation

The consolidated financial statements of the Group incorporate the financial statements of the Parent Company and its subsidiaries and associates. The Parent Company has control over the subsidiaries as it is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to affect its returns through its power over the subsidiaries. Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including the contractual arrangement with the other vote holders of the investee, rights arising from other contractual arrangements, the Group's voting rights and potential voting rights and the size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders. The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but has no control or joint control over those policies.

Consolidation Procedure:

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

b) Consolidation of a subsidiary begins when the Parent Company obtains control over the subsidiary and ceases when the Parent Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Parent Company gains control until the date when the Parent Company ceases to control the subsidiary.

c) Profit or loss and each component of other comprehensive income are attributed to the owners of the Parent Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Parent Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

d) Adjustments are made to the financial statements of subsidiaries, as and when necessary, to bring their accounting policies into line with the Group's accounting policies.

e) All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

f) Carrying amount of the Parent's investment in each subsidiary and the Parent's portion of equity are eliminated. Business combinations policy explains how the related goodwill is accounted at the time of acquisition of subsidiary.

g) Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Parent Company.

h) Investment in Associates has been accounted under the equity method as per Ind AS 28 - Investments in Associates and Joint Ventures. The Company accounts for its share of post-acquisition changes in net assets of associates, after eliminating unrealised profits and losses resulting from transactions between the Company and its associates to the extent of its share, through its Consolidated Statement of Profit and Loss, to the extent such change is attributable to the associates' Statement of Profit and Loss and through its reserves for the balance based on available information.

D. Use of Estimates:

The preparation of the financial statements requires management to make estimates, judgements and assumptions that affect the reported balances of assets and liabilities, disclosure of contingent liabilities as on the date of financial statements and reported amounts of income and expenses during the period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

E. Business Combinations

The acquisitions of businesses are accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values at the date of exchange of assets given, liabilities incurred or assumed and equity instruments issued by the Group in exchange for control of the acquiree. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognized at their fair values at the acquisition date except certain assets and liabilities required to be measured as per the applicable standard. Goodwill arising on acquisition is recognized as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets acquired, liabilities recognized and contingent liabilities assumed. In the case of bargain purchase, resultant gain is recognized in other comprehensive income on the acquisition date and accumulated to capital reserve in equity. The interest of non-controlling shareholders in the acquiree is initially measured at the non-controlling shareholders proportionate share of the acquiree's identifiable net assets.

F. Property, Plant and Equipment

Freehold land is carried at historical cost. Capital work in progress, and all other items of property, plant and equipment are stated at historical cost net of accumulated depreciation and accumulated impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value
Leasehold land is amortized over the period of lease. Depreciation on other fixed assets (excluding land and lease land in perpetuity) is provided on written down value method as per the useful life specified in schedule II to the Companies Act, 2013, in the manner state therein. The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives and method of depreciation are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit or loss.

G. Intangible Assets

Identifiable intangible assets are recognized a) when the Group controls the asset, b) it is probable that future economic benefits attributed to the asset will flow to the Group and c) the cost of the asset can be reliably measured.

Intangible assets acquired are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets are amortised over the period on straight line basis. The assets useful life reviewed at each financial year end.

H. Financial Instrument:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instruments of another entity. Classifications of financial instruments are in accordance with the substance of the contractual arrangement and as per the definitions of financial assets, financial liability and an equity instruments.

Financial Assets and investments

i. **Initial recognition and measurement:**
At initial recognition, the group measures a financial asset (other than financial asset at fair value through profit or loss) at its fair value plus or minus, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit & loss.

ii. **Subsequent recognition and measurement:**
Subsequent measurement of financial asset depends on the group's business model for managing the asset and the cash flow characteristics of the asset. For the purpose of subsequent recognition and measurement financial assets are classified in four categories:

- **Debt instrument at amortised cost:**

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- **Debt instrument at fair value through other comprehensive income (FVOCI):**

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses and interest revenue which are recognised in the statement of profit & loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

- **Debt instrument at fair value through profit and loss (FVTPL):**

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the statement of profit & loss and presented net in the statement of profit & loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

- **Equity instruments:**

All equity instruments other than in associates are initially measured at fair value. Any subsequent fair value gain/loss is recognised through profit or loss if such investments are held for trading purposes. The fair value gains or losses of all other equity investments are recognised in Other Comprehensive Income.

- **Investment in Associates:**

The Group has accounted for its Investment in associates at cost

iii. **Derecognition:**
A financial asset is primarily derecognised i.e. removed from Group's financial statements when:

- The rights to receive cash flows from asset have expired, or

- The Group has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under 'pass- through' arrangement and either;

a) The Group has transferred substantially all the risks and rewards of the assets,

b) The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the group could be required to repay.

iv. Trade receivables:

A receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at fair value less provision for impairment.

Financial Liabilities:

a. Initial recognition and measurement:

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

b. Subsequent measurement:

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit and loss financial liabilities at fair value through profit or loss include financial liabilities held for trading and has designated upon initial measurement recognition at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the statement of profit & loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

c. Loans and Borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in the statement of profit & loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

d. Trade and other payables:

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the Derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

I. Impairment of Assets

An asset is considered as impaired when at the date of Balance Sheet there are indications of impairment and the carrying amount of the asset, or where applicable the cash generating unit to which the asset belongs exceeds its recoverable amount (i.e. the higher of the net asset selling price and value in use).

- **Impairment of Goodwill**

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or when there is an indication that the unit may be impaired. The recoverable amount of cash generating unit is determined for each legal entity based on a value in use calculation which uses cash flow projections and appropriate discount rate is applied. The discount rate takes into account the expected rate of return to shareholders, the risk of achieving the business projections, risks specific to the investments and other factors. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

- **Impairment of Non – Financial Asset:**

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit's (CGU) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

- **Impairment of Financial asset:**

The Group assesses impairment based on expected credit losses (ECL) model to the following:

➢ Financial assets carried at amortised cost;
➢ Financial asset measured at FVOCI debt instruments.

The Group follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables or contract revenue receivables.
The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Group uses a provision matrix to determine impairment loss allowance on its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

For assessing increase in credit risk and impairment loss, the group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

J. Cash and cash equivalents

Cash and cash equivalents includes cash on hand and at bank, deposits with banks and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

K. Inventories

Inventories are valued at lower of cost or net realisable value. Cost is determined on FIFO basis.

Cost of inventories also includes all other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

L. Foreign currency transactions:

The transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of transaction. Monetary items denominated in foreign currency at the end of year are translated using the closing rate of exchange. Non- monetary items that are to be carried at historical cost are recorded using exchange rate prevailing on the date of transaction. Non-monetary items that are to be carried at fair value are recorded using exchange rate prevailing on the date of fair value measured. Any income or expenses on account of exchange difference either on settlement or on translation is recognised in the statement of profit or loss.

M. Classification of assets and liabilities as current and non–current:

The Group presents assets and liabilities in Balance Sheet based on current/non-current classification.

An asset is classified as current when it is:

a. Expected to be realised or intended to be sold or consumed in normal operating cycle,

b. Held primarily for the purpose of trading,

c. Expected to be realised within twelve months after the reporting period, or

d. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

a. It is expected to be settled in normal operating cycle,

b. It is held primarily for the purpose of trading,

c. It is due to be settled within twelve months after the reporting period, or

d. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

N. Equity share capital

Ordinary shares are classified as equity. Incremental costs net of taxes directly attributable to the issue of new equity shares are reduced from retained earnings, net of taxes.

O. Revenue recognition

Revenue is recognised to the extent that it is probable that the future economic benefits will flow to the entity and it can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

➢ **Sale of goods**

Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of goods, it is probable that the economic benefit will flow the Company, the associated costs and possible return of goods can be estimated reliably, there is neither continuing management involvement to the degree usually associated with ownership nor effective control over the goods sold and the amount of revenue can be measured reliably.

Provisions for chargeback, rebates, discounts and medical aid payments are estimated and provided for in the year of sales and recorded as reduction of revenue.

➢ **Sales Returns**

With respect to established products, the Company considers its historical experience of sales returns, levels of inventory in the distribution channel, estimated shelf life, product discontinuances, price changes of competitive products, and the introduction of competitive new products, to the extent each of these factors impact the Company's business and markets. With respect to new products introduced by the Company, such products have historically been either extensions of an existing line of product where the Company has historical experience or in therapeutic categories where established products exist and are sold either by the Company or the Company's competitors.

➢ **Interest income**

Interest income from debt instrument is recognised using effective interest rate method. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of financial asset to the gross carrying amount of financial asset. When calculating effective interest rate, the company expects cash flows by considering all contractual terms of financial instrument but does not consider the expected credit losses.

➢ **Dividends**

Dividends are recognised when the right to receive the payment is established.

P. Borrowing Costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for such capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

Borrowing costs consist of interest and other costs that are incurred in connection with the borrowing of funds.

Q. Employee Benefits

i. Short-term Employee benefits:

All employees' benefits payable wholly within 12 months rendering services are classified as Short Term obligations. Benefits such as salaries, wages, short term compensated absences, performance incentives, expected cost of bonus and ex-gratia are recognised during the period in which the employees renders related services.

ii. Post-employment benefits

a. Defined Contribution Plan

The defined contribution plan is post-employment benefit plan under which the Group contributes fixed contribution to a government administered fund and will have no legal or constructive obligation to pay further contribution. The Group's defined contribution plan comprises of Provident Fund, Labour Welfare Fund and Employee State Insurance Scheme. The Group's contribution to defined contribution plans are recognised in the statement of profit & loss in the period in which the employee renders the related services.

b. Defined benefit plan

The Company has defined benefit plans comprising of gratuity. Company's obligation towards gratuity liability is partially funded as Management has initiated a decision to be funded and managed by Life Insurance Corporation of India over the period of 20 equated quarterly instalments over a period of 5 years.

The present value of the defined benefit obligations is determined based on actuarial valuation using the projected unit credit method. The rate used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations.

Re-measurements comprising of (a) actuarial gains and losses, (b) the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to the statement of profit & loss in subsequent periods.

The expected return on plan assets is the Group's expectation of average long-term rate of return on the investment of the fund over the entire life of the related obligation. Plan assets are measured at fair value as at the Balance Sheet date.

The interest cost on defined benefit obligation and expected return on plan assets is recognised under finance cost.
Gains or losses on the curtailment or settlement of defined benefit plan are recognised when the curtailment or settlement occurs.

c. Other long-term benefits

The Group's employees have other long-term benefits in the form of leave benefits. The present value of the other long term employee benefits is determined based on actuarial valuation using the projected unit credit method. The rate used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations.

Actuarial gains or losses arising on account of experience adjustment and the effect of changes in actuarial assumptions are recognised immediately in the statement of profit & loss as income or expense.

Gains or losses on the curtailment or settlement of other long-term benefits are recognised when the curtailment or settlement occurs.

d. Share-based payments

Share-based compensation benefits are provided to employees via Employee Stock Option Plans with the ESOS 2007.

The fair value of options granted under the Employee Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g., the entity's share price)

- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and

- Including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specific period of time).

The total expense, other than in respect of options granted to employees of group companies, is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. The cost of options granted to employees of group companies is debited to the cost of the investment of the respective companies. At the end of each period, the company revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in the statement of profit & loss / Investment, with a corresponding adjustment to other equity.

R. Income Taxes:

- **Current Income Tax:**

Current Income Tax liabilities are measured at the amount expected to be paid to the taxation authorities using the tax rates and tax laws that are enacted or subsequently enacted at the end of the reporting period. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and creates provisions where appropriate.

- **Deferred Tax:**

Deferred Tax is provided, using the Balance sheet approach, on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred Tax is determined using the tax rates and tax laws that are enacted or subsequently enacted at the end of the reporting period.

Deferred Tax liabilities are recognised for all temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and the deferred tax balances relate to the same taxation authority. Current tax asset and liabilities are offset where the company has a legally enforceable right and intends either to settle on net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the statement of profit & loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

S. Provisions and contingencies

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using the government securities' interest rate for the equivalent period. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate. Provisions are not recognised for future operating losses.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the notes to the financial statements. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

T. Earning per share:

Basic earnings per share is calculated by dividing the net profit or loss (after tax) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is calculated by dividing the net profit or loss (after tax) for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

Note 4 - Use of Significant Accounting Estimates, Judgments and Assumptions

In the process of applying the Group's accounting policies, management has made the following estimates and judgements, which have significant effect on the amounts recognised in the financial statements:

A. Depreciation and useful lives of Property, Plant and Equipment

Property, plant and equipment are depreciated over the estimated useful lives of the assets, after taking into account their estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are based on the Group's historical experience with similar assets and take into account anticipated technological changes. The depreciation for future periods is adjusted if there are significant changes from previous estimates.

B. Recoverability of trade receivables

Judgments are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. The

Group uses a provision matrix to determine impairment loss allowance on its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

C. Defined Benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

D. Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

E. Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Estimates and judgments are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances. They are continuously evaluated.

F. Fair Value measurement

The Group measures financial instrument e.g. investments, at fair value at each balance sheet date.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or

- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Note 5- Amendment to Existing issued Ind AS

The MCA has also carried out amendments of the following accounting standards:

I. Ind AS 101- First time adoption of Indian Accounting Standards
ii. Ind AS 103 – Business Combinations
iii. Ind AS 109 - Financial Instruments
iv. Ind AS 111 – Joint Arrangements
v. Ind AS 12 – Income Taxes
vi. Ind AS 19 – Employee Benefits
vii. Ind AS 23 – Borrowing Costs
viii. Ind AS 28 - Investment in Associates and Joint Ventures
ix. Ind AS 116 - Lease

Application of above standards are not expected to have any significant impact on the consolidated financial statements.

Consolidated Notes to the Financial Statements

For year ended 31st March 2019

Note 6 - Property, Plant & Equipment

Particulars	Land	Rights on Lease Hold Land	Factory Building	Office Premises	Plant & Machinery	Furniture and Equipment	Computer	Motor Car	Office Equipment	Air Conditioners	Electrical Installations	Laboratory Equipment	Mobile Phone	Computer software	Goodwill	Capital WIP	Total
Gross Block																	
As at 01/04/2017	29.88	96.78	261.02	133.24	1,392.25	68.80	43.15	113.46	16.36	28.22	27.87	182.49	8.10	13.37	4,212.73	65.99	6,693.71
Additions	-	-	-	-	50.30	19.54	-	13.10	3.36	-	1.20	10.70	0.11	1.03	-	249.37	348.71
Disposals/transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31/03/2018	29.88	96.78	261.02	133.24	1,442.55	88.34	43.15	126.56	19.72	28.22	29.07	193.19	8.21	14.40	4,212.73	315.36	7,042.42
Additions	-	-	-	-	150.90	11.50	2.28	6.17	1.48	-	-	15.49	2.68	1.69	-	1,709.93	1,902.12
Disposals/transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31/03/2019	**29.88**	**96.78**	**261.02**	**133.24**	**1,593.45**	**99.84**	**45.43**	**132.73**	**21.20**	**28.22**	**29.07**	**208.68**	**10.89**	**16.09**	**4,212.73**	**2,025.29**	8,944.54
Accumulated Depreciation																	
As at 01/04/2017	-	-	240.04	70.37	881.61	55.25	38.60	88.55	14.44	21.75	20.94	162.95	5.70	11.39	1,685.08	-	3,296.67
Depreciation Charge for the year	-	-	4.64	3.05	84.60	6.59	1.73	7.12	1.83	1.18	2.01	5.15	1.40	0.66	84.28	-	204.24
As at 31/03/2018	-	-	244.68	73.42	966.21	61.84	40.33	95.67	16.27	22.93	22.95	168.10	7.10	12.05	1,769.36	-	3,500.91
Depreciation Charge for the year	-	-	3.29	2.90	88.08	7.76	1.09	6.22	1.60	0.93	1.45	4.82	1.57	1.15	84.25	-	205.11
As at 31/03/2019	-	-	247.97	76.32	1,054.29	69.60	41.42	101.89	17.87	23.86	24.40	172.92	8.67	13.20	1,853.61	-	3,706.02
Net Block																	-
As at 31/03/2019	29.88	96.78	13.05	56.92	539.16	30.24	4.01	30.84	3.33	4.36	4.67	35.76	2.22	2.89	2,359.12	2,025.29	5,238.52
As at 31/03/2018	29.88	96.78	16.34	59.82	476.34	26.50	2.82	30.89	3.45	5.29	6.12	25.09	1.11	2.35	2,443.37	315.36	3,541.53

Consolidated Notes to the Financial Statements

For year ended 31st March 2019

Note 7 – Investments

Rs. (In Lakhs)

A] Non-Current Investments		
Particulars	**As on 31st March, 2019**	**As on 31st March, 2018**
Non -Trade Investments		
A. Investments in Shares:		
i. Quoted Shares: (At Fair Value through Other Comprehensive Income)		
[Equity Shares of Face value Rs. /-10 each, fully paid -up, unless otherwise stated]		
15 (31st March 2018 : 15) - Bengal and Assam Co Ltd.	0.26	0.31
1,000 (31st March 2018 : 1000) - Century Enka Ltd.	2.52	3.02
500 (31st March 2018 : 500) - Century Textiles & Ind Ltd.	4.66	5.73
200 (31st March 2018 :200) - Colgate Palmolive India Ltd.	2.52	2.12
720 (31st March 2018 : 720) - J K Laxmi Cement Ltd.	2.50	3.33
400 (31st March 2018 : 400) - Pfizer Ltd.	13.28	8.74
NIL (31st March 2018 :2616) - Reliance Power Ltd.	-	0.95
Fair Value of Quoted Instruments (Total of A . i)	**25.74**	**24.19**
ii. Unquoted Shares:		
Others (At Fair Value through Other Comprehensive Income)		
7000 (P.Y. 7000) Novo Informatics Pvt Ltd	48.02	48.02
Estee Advisors Pvt. Ltd.	-	121.46
Edelweiss Securities Limited	-	6.30
100000 (31st March 2018: 100,000) Preference Shares of Rs. 100 each fully paid TATA MOTORS FINANCE LIMITED	100.00	100.00
Book Value of Unquoted Instruments (Total of A. ii)	**148.02**	**275.78**
Total Investment in Shares (A. i + A. ii)	**173.76**	**299.97**
B. Investment in the Capital of Partnership Firm (LLP) (At Cost)		
Arham Neeta Realties LLP	2,246.73	2,246.34
C. Investments in Bonds:		
i. Quoted Bonds: (At Fair Value through Other Comprehensive Income)		
National Highways Authority of India	45.71	45.71
Housing And Urban Development Corporation Ltd	7.53	7.53
ii. Unquoted Bonds: (At Fair Value through Other Comprehensive Income)		
Club millionaire Financial Services Pvt Ltd.	28.23	-
Total Investment in Bonds (C.i+ii)	**81.47**	**53.24**
Aggregate Fair Value of All Non Current Investments (A+B+C)	**2,501.96**	**2,599.56**

Consolidated Notes to the Financial Statements
For year ended 31st March 2019

B] Current Investments

Rs. (In Lakhs)

Particulars	As on 31st March, 2019	As on 31st March, 2018
Investment in Units of Mutual Funds : (At fair value through Other Comprehensive income)		
Mutual Fund - Axis		
NIL (31st March 2018: 126,822.025) Axis Equity Fund -Growth (EFGPG)	-	31.33
NIL (31st March 2018: 3,837.386) Axis Liquid Fund Direct – DDR	-	38.41
Mutual Fund – Edelweiss		
134,756.526 (31st March 2018: 134,756.526) Axis Focused 25 Fund Growth (Edelweiss Demat)	36.52	33.86
Mutual Fund - Kotak Wealth		
NIL (31st March 2018: 188476.52) Kotak Select Focus Fund Regular Plan Dividend - DP	-	42.76
201,130.9550 (31st March 2018: 201,130.9550) Mirae Asset India Opportunities Fund Regular Dividend Plan - DP	36.53	35.05
55,519.6340 (31st March 2018: 55,519.6340) SBI Blue Chip Fund Regular Plan Dividend - DP	12.38	11.76
353,174.43 (31st March 2018: 353,174.43) SBI Blue Chip Fund Regular Plan Growth	138.48	131.46
30810.4260 (31st March 2018: 30810.4260) Franklin India Prima Fund - Growth	185.67	173.60
NIL (31st March 2018 : 1,935,021.96) HDFC Corporate Debt Opportunities Fund Regular Growth	-	278.85
NIL (31st March 2018 : 1,124,095.2390) IDFC Banking Debt Fund Regular Plan Growth	-	165.84
NIL (31st March 2018 : 262,631.94) Reliance Regular Savings Fund Balanced Plan Growth Option	-	140.08
NIL (31st March 2018 : 536,541.13) ICICI Prudential Income Opportunities Fund - Regular Plan - Growth	-	130.27
NIL (31st March 2018 : 312,640.69) IDFC Dynamic Bond Fund Regular Plan Growth	-	64.53
NIL (31st March 2018 : 131,245.65) Kotak Bond Scheme Plan A Regular Plan Growth	-	62.42
NIL (31st March 2018 : 277,200.28) Reliance Dynamic Bond Fund Growth Plan Growth Option	-	64.25
NIL (31st March 2018 : 537,143.47) Sundaram Flexible Fund Flexible Income Plan Regular Growth	-	130.99
NIL (31st March 2018 : 331,749.78) UTI Dynamic Bond Fund Growth	-	66.52
770,208.3320 (31st March 2018 : 796,480.8610) Reliance Arbitrage Advantage Fund Dividend Plan - DR	93.93	96.01
NIL (31st March 2018 : 672.2406) Kotak Floater Short Term Growth	-	19.12
10,00,000 (31st March 2018 : 10,00,000) KOTAK FMP Series 183 1204 Days Reg. Growth	123.04	122.40
NIL (31st March 2018 : 365,493.65) Kotak Select Focus Fund Regular Plan Growth	-	116.27
Kotak Small And Midcap Pms	40.29	46.21
NIL (31st March 2018 : 258,732.21) Mirae Asset India Opportunities Fund Regular Growth Plan	-	115.93
306,901.1440 (31st March 2018: 306,901.1440) Motilal Oswal Most Focused Multicap 35 Fund Reg Gw	79.72	80.73
NIL (31st March 2018 : 752,553.1140) Birla Sun Life Medium Term Plan Growth	-	165.39
NIL (31st March 2018 : 296,982.6560) IC ICI Prud Regular Saving Fund Growth	-	55.16
500,000 (31st March 2018: 500,000) ICICI Prud. Value Fund Series 9 Reg Plan Div. DP	53.45	51.75
380,124.07 (31st March 2018 : 380,124.07) Kotak Medium Term Fund Regular Plan Growth	58.07	54.86
1,000,000 (31st March 2018 : 1,000,000) HDFC FMP 1213 D MARCH 2018 1 SERIES 38 REG PLAN GRO	115.17	107.91
NIL (31st March 2018 : 768,344.2180) Reliance Corporate Bond Fund Growth	-	107.67
ICICI Prud. PMS Enterprising India Portfolio II	62.41	67.84
AVENDUS ENGHANCED RETURN FUND 9TH Closure	102.75	-
15,00,000 (31st March 2018 : NIL) IDFC Fixed Term Plan Series 149 Direct Plan Growth	161.61	-
15,00,000 (31st March 2018 : NIL) IDFC Fixed Term Plan Series 149 Regular Plan Growth	161.28	-
352,691.3880 (31st March 2018 : NIL) Motilal Oswal Multicap 35 Fund Direct Plan Growth	96.08	-
629,370.1890 (31st March 2018 : NIL) UTI Credit Risk Fund Growth	105.27	-
752,553.1140 (31st March 2018 : NIL) Aditya Birla Sun Life Medium Term Plan Growth	171.44	-
3071.7950 (31st March 2018 : NIL) Axis Banking & PSU Debt Fund Growth	53.67	-
126,822.0250 (31st March 2018 : NIL) Axis Blue Chip Fund Growth	35.88	-
296,982.6560 (31st March 2018 : NIL) ICICI Prudential Credit Risk Fund Growth	58.96	-

Consolidated Notes to the Financial Statements
For year ended 31st March 2019

188,476.5200 (31st March 2018 : NIL) Kotak Standard Multicap Fund Regular Plan Dividend	44.66	-
365,493.650 (31st March 2018 : NIL) Kotak Standard Multicap Fund Regular Plan Growth	129.67	-
258,732.2120 (31st March 2018 : NIL) Mirae Asset India Equity Fund Regular Plan Growth	132.38	-
768,344.2180 (31st March 2018 : NIL) Reliance Classic Bond Fund Growth	112.97	-
262,631.9400 (31st March 2018 : NIL) Reliance Equity Hybrid Fund Growth	144.74	-
Mutual Fund - SPA Capital		
130,116.845 (31st March 2018 : 130,116.845) Franklin India Income Opportunities Fund (SPA)	29.04	26.87
5,269.059 (31st March 2018 : 5,269.059) HDFC Prudence Fund (SPA)	28.52	25.56
24,717.259 (31st March 2018 : 24,717.259) UTI MID CAP FUND GROWTH (SPA)	24.99	26.63
UTI Structured Debt Opportunities Fund I (SPA)	48.61	25.53
Omni Science Capital	22.70	-
Mutual Fund - IIFL		
NIL (31st March 2018 : 41,993.5270) Birla Sun Life Cash Plus Daily Div.Reg Reinv (IIFL)	-	42.11
IIFL Focused Equity Strategies Fund (Cap metrics)	62.10	34.78
IIFL Focused Equity Strategies Fund (Trivantage)	38.37	38.64
148,528.4050 (31st March 2018: NIL) Axis Focused 25 -Growth (IIFL)	40.25	-
Market Value of Quoted Investments	**2,841.62**	**3,029.34**
Aggregate Fair Value of All Current Investments	**2,841.62**	**3,029.34**

Note 8 - Loans and Advances

		(Rs. In Lakhs)
Particulars	**As on 31st March, 2019**	**As on 31st March, 2018**
(a) Deposits	19.77	6.99
(b) Advance to Related parties	1.19	0.00
(c) Other Advances	13.10	14.55
Total	**34.26**	**21.54**

Note 9 - Other Financial Assets

		(Rs. In Lakhs)
Particulars	**As on 31st March, 2019**	**As on 31st March, 2018**
Fixed Deposits with Bank (more than 12 months)	-	78.97
Total	**-**	**78.97**

Note 10 - Deferred Tax Asset

		Rs. (In Lakhs)
Particulars	**Ason 31st March, 2019**	**As on 31st March, 2018**
At the Start of the year	155.18	247.25
Charges/(credit) to profit and loss	(51.61)	(62.55)
At the end of the year	-	(29.51)
Deferred tax Asset	103.57	**155.18**
Related to Property, Plant and Equipment	21.45	25.58
Provision for Gratuity/Leave Encashment	15.70	11.71
Provision for Doubtful Debtors	66.42	117.89
Total	**103.57**	**155.18**

Consolidated Notes to the Financial Statements
For year ended 31st March 2019

Note 11– Inventories

Rs. (In Lakhs)

Particulars	As on 31st March, 2019	As on 31st March, 2018
[As taken, valued and certified by the Management]		
a. Raw Materials and components	356.52	182.28
b. Work -in - progress	75.23	42.66
c. Finished goods	39.83	54.70
Total	**471.58**	**279.64**

Note 12 - Trade Receivables

Rs. (In Lakhs)

Particulars	As on 31st March, 2019	As on 31st March, 2018
[UNSECURED,]		
Considered Good	1943.59	2,069.49
Credit Impaired	255.47	381.53
Less: Allowance for expected credit loss	(255.47)	(381.53)
Total	**1,943.59**	**2,069.49**

Note13-Cash and Cash Equivalents

		(Rs. In Lakhs)
Particulars	**As on 31st March, 2019**	**As on 31st March, 2018**
a. Cash on hand	45.30	0.91
b. Balances with banks	748.71	476.35
Total	**794.01**	**477.26**
Bank Balances include:		
Earmarked Balances (eg/ unpaid - dividend accounts)	88.07	90.55
Margin money	1.34	1.34

Note 14 - Other Financial Assets

Rs. (In Lakhs)

Particulars	As on 31st March, 2019	As on 31st March, 2018
Accrued Interest/Dividend Receivable	11.04	30.91
Advance to Parties	44.96	21.51
Prepaid Expenses	-	4.75
GST Receivable	-	0.85
Total	**56.00**	**58.02**

Note 15-Other Current Asset

Rs. (In Lakhs)

Particulars	As on 31st March, 2019	As on 31st March, 2018
Balances with Government Authorities	355.62	380.75
Advance to Suppliers	18.88	-
Prepaid Expenses	4.53	-
Rental Deposit	2.00	4.53
Total	**381.03**	**384.41**

Consolidated Notes to the Financial Statements

For year ended 31st March 2019

Note 16 - Share Capital

Rs. (In Lakhs)

Particulars	As on 31st March, 2019		As on 31st March, 2018	
	Number (In Lakhs)	Amount (Rs. In Lakhs)	Number (In Lakhs)	Amount (Rs. In Lakhs)
Authorised	200.00	2,000.00	200.00	2,000.00
200,00,000 (31st March 2018 : 200,00,000) Equity Shares of Rs. 10 each				
Issued, Subscribed & Paid up	153.55	1535.52	137.32	1373.18
153,55,242 (31st March 2018 : 137,31,828) Equity Shares of Rs. 10 each fully paid up				
Total	**153.55**	**1535.52**	**137.32**	**1373.18**

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As on 31st March, 2019		As on 31st March, 2018	
	Number (In Lakhs)	Amount (Rs. In Lakhs)	Number (In Lakhs)	Amount (Rs. In Lakhs)
Equity Shares outstanding at the beginning of the year	137.32	1373.18	132.32	1323.18
Add : Preferential allotment during the year	16.23	162.34	5.00	50.00
Equity Shares boght back during the year	-	-	-	-
Equity Shares outstanding at the end of the year	153.55	1535.52	137.32	1373.18

Shares in the company held by each shareholder holding more than 5 percent shares

	As on 31st March, 2019		As on 31st March, 2018	
Name of Shareholder	No. of Shares	% of Holding	No. of Shares held	% of Holding
Kilitch Company Pharma Limited	6629342	43.17	6629342	48.27
Mukund Prataprai Mehta	1739763	11.33	1566763	11.41
Bhavin Mukund Mehta	1153300	7.51	353300	2.57
Neeta Mukund Mehta	1111768	7.24	484768	3.53

The company has only one class of Equity Shares having a face value of Rs. 10 per share. Each holder of Equity Share is entitled to one vote per share.

Note 17- Other Equity

Rs. (In Lakhs)

Particulars	As on 31st March, 2019	As on 31st March, 2018
a. Securities Premium	3,832.63	3,023.13
b. General Reserve	1,511.76	1,511.76
c. Employee Stock Options	112.45	137.94
d. Other Equity (Money received against Share Warrants)	-	236.00
e. Other Reserves-Call on shares forfeited A/c	58.00	58.00
Foreign Exchange Fluctuation Reserve	(6.64)	(1.29)
Capital Reserve on Consolidation	13.28	-
f. Surplus in the statement of Profit and Loss		
As per Balance Sheet	4,532.91	4,017.67
(+/-) Final Dividend including DDT	(92.56)	
(+/-) Net Profit For the current year	382.97	515.24
	4,823.32	**4,532.91**
g. Other Comprehensive Income		
As per last Balance Sheet	**331.09**	293.80
(+/-) Change in Fair value of Investments at FVOCI	(105.69)	66.81
(+/-) Other adjustments	-	(29.52)
At the end of the Year	225.40	331.09
h. Capital Reserve on Consolidation	13.28	-
Total	**10,570.21**	**9829.55**

Consolidated Notes to the Financial Statements

For year ended 31st March 2019

Note 18 – Provisions

Rs. (In Lakhs)

Particulars	As on 31st March, 2019	As on 31st March, 2018
Provision for Gratuity	41.34	-
Total	**41.34**	**-**

Note 19 – Borrowings

Rs. (In Lakhs)

Particulars	As on 31st March, 2019	As on 31st March, 2018
Bank Overdraft (Kotak Mahindra Bank)	122.91	82.47
Export Packing Credit Loan (Kotak Mahindra Bank)	812.80	-
Unsecured Loan (Repayable on Demand) – Mr. Mukund P. Mehta	9.70	9.70
Total	**945.41**	**92.17**

The above stated Borrowings from Kotak Mahindra Bank were secured against the Mutual Funds managed by Kotak Wealth.

Note 20-Trade Payables

Rs. (In Lakhs)

Particulars	As on 31st March, 2019	As on 31st March, 2018
I) Dues to Micro & Small Enterprises	-	-
ii) Dues to Others	434.63	771.55
Total	**434.63**	**771.55**

Note 21-Otherfinancial liabilities

Rs. (In Lakhs)

Particulars	As on 31st March, 2019	As on 31st March, 2018
Unpaid dividends	88.07	90.55
Provision for Expenses	-	28.77
Total	**88.07**	**119.32**

Note 22 – Provisions

Rs. (In Lakhs)

Particulars	As on 31st March, 2019	As on 31st March, 2018
Provision for employee benefits:		
Salary & Reimbursements	49.45	43.47
Gratuity	12.51	36.08
Leave Encashment	6.54	1.87
Total	**68.50**	**81.42**

Note 23-Current Tax Liabilities

Rs. (In Lakhs)

Particulars	As on 31st March, 2019	As on 31st March, 2018
Provision for Tax (Net of Taxes Paid)	171.83	196.55
Total	**171.83**	**196.55**

Note 24-Other Current Liabilities

Rs. (In Lakhs)

Particulars	As on 31st March, 2019	As on 31st March, 2018
Statutory dues	82.89	20.59
Others	169.80	208.06
Outstanding Expenses	0.63	1.12
Provision for Expenses	47.65	0.83
Total	**300.97**	**230.60**

Consolidated Notes to the Financial Statements

For year ended 31st March 2019

Note 25 - Revenue from Operations

Rs. (In Lakhs)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Sale of products/services:		
Local sales	726.62	314.08
Out Of Maharashtra Sales	456.62	343.67
Export Sales	6,959.58	4,351.32
Other operating revenues	106.17	109.98
(Less) Sales Return	-	(17.87)
Total	**8,248.99**	**5,101.18**

Note 26 - Other Income

Rs. (In Lakhs)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Interest Income	16.36	21.99
Dividend Income	23.94	35.83
Foreign Exchange Gain :		
Realised	93.64	26.29
Unrealised	0.24	50.17
Profit from Trading in Securities	-	11.49
Profit on Sale of Investments	240.71	94.66
Profit on Sale of Asset	-	0.05
Bad Debts Recovered	-	33.69
Sundry balances written back	17.51	-
Discounts Received	7.44	9.62
Misc. Income	0.57	3.75
Total	**400.40**	**287.54**

Note 27 - Cost of Materials Consumed

Rs. (In Lakhs)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Opening Stock	182.28	206.35
Purchases	5,008.75	2,619.90
Less: Closing Stock	356.52	182.28
Total	**4,834.51**	**2,643.97**

Note 28 - Variation in inventories of Finished Goods and work -In- progress

Rs. (In Lakhs)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Opening Stock		
Work-in-Process	42.66	10.78
Finished Goods	54.70	42.38
	97.36	53.16
Closing Stock		
Work-in-Process	75.23	42.66
Finished Goods	39.83	54.70
	115.06	97.36
Total	**(17.70)**	**(44.20)**

Consolidated Notes to the Financial Statements

For year ended 31st March 2019

Note 29-Employee Cost

Rs. (In Lakhs)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
(a) Salaries and incentives	469.50	401.25
(b) Contributions to Provident fund	18.42	13.37
(c) Gratuity fund contributions	13.20	(1.26)
(d) Staff welfare expenses	27.25	16.87
Total	**528.37**	**430.23**

Note 30-Export Product Registration/Commission

Rs. (In Lakhs)

Particulars	Year Ended 31st March, 2019	As on 31st March, 2018
Export product registration	158.04	42.09
Export Expenses	44.43	3.30
Export Commission Expenses	481.46	294.04
Total	**683.93**	**339.43**

Note 31- Other Expenses

Rs. (In Lakhs)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Consumption of stores and spare parts.	66.63	29.18
Labour Charges	136.84	112.97
Power and Fuel	141.18	110.54
Water Charges	6.14	4.83
Foreign Exchange Loss- Unrealised	69.02	-
Bank & Other Charges	26.91	41.63
Repairs to Buildings	2.47	7.41
Repairs Others	82.23	68.29
Insurance	4.78	5.52
Rent, Rates and Taxes	22.92	21.92
Auditors Remuneration	23.10	7.80
Miscellaneous expenses	41.27	71.34
Donation	20.11	0.03
Directors' Sitting Fees	0.62	0.98
Foreign Travelling Expenses	68.65	104.84
Printing & Stationery	8.59	6.73
Professional charges	115.02	78.83
Professional Tax	0.03	-
Communication Expenses	16.21	14.67
Electricity Charges	0.72	-
Telephone Expenses	0.12	-
Vehicle Expenses	4.63	5.96
Travelling Expenses:		
Directors	8.07	4.05
Others	14.20	15.49

Factory	13.08	10.30
Business Promotion Expenses	106.76	39.05
Advertising / Sales Commission Expenses	1.88	3.35
Discount Allowed [Sales]	5.44	4.96
Clearing & Forwarding Expenses	86.23	29.70
Calibration/validation Charges	2.32	1.49
Bad Debts/Balances written off	380.50	285.84
Loss on trading in Securities	12.24	-
Loss by Theft / Transit	0.02	-
Loss from sale of assets	0.07	-
Share of Loss from Partnership Firm	0.27	0.24
Freight	129.23	141.60
Provisions for Expected Credit Loss	(126.06)	(39.73)
Office expenses	22.11	12.24
Fees & Subscription Expenses	0.05	
Preliminary Expenses Written Off	-	1.72
VAT Refund Disallowed	3.82	-
Incentive	0.18	-
Total	**1,518.60**	**1,203.79**

Note 32 - Disclosure as per IND AS – 19 "employee benefits".

(A) Expenses recognised for Defined Contribution Plan:

Employer's Contribution to Provident and Pension Fund Rs. 11.08 Lakhs (PY Rs. 6.99 Lakhs).
Employer's Contribution to ESIC Rs. 3.67 Lakhs (PY Rs. 3.78 Lakhs)

The Company makes contributions towards provident fund and pension fund for qualifying employees to the Regional Provident Fund Commissioner.

(B) Expenses recognised Defined Benefit Plan:

The company provides gratuity benefit to its employees which is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognised in the same manner as gratuity.

i. Change in Defined Benefit Obligation during the year:

(Rs. in Lakhs)

Particulars	**2018-19**	**2017-18**
	Gratuity	**Gratuity**
Present value of the obligation at the beginning of the year	35.72	37.14
Current Service Cost	2.68	4.13
Interest Cost	6.91	2.79
Actuarial (Gain) / Loss on Obligation	8.39	(7.37)
Benefits Paid	(0.20)	(0.97)
Present value of the obligation at the end of the year	53.50	35.72

ii. Change in Fair Value of Assets and Obligations

The Company has initiated to contribute to a fund managed by Life Insurance Corporation of India as required by Law against its liabilities. Accordingly The Company has made an agreement to contribute the Liabilities amount evenly for a period of 5 Years in quarterly payments. Accordingly the company has contributed an amount equivalent of Rs. 6.57 Lakhs during the FY 2018-19 towards the Gratuity Fund Managed by Life Insurance Corporation of India.

Consolidated Notes to the Financial Statements
For year ended 31st March 2019

iii. Amount to be recognized in Balance sheet

(Rs. in Lakhs)

Particulars	2018-19	2017-18
	Gratuity	Gratuity
Present Value of Defined Benefit Obligation	53.50	35.72
Fair value of Plan Assets at the end of the year	-6.92	-
Amount to be recognized in Balance sheet	46.57	35.72

iv. Current/Non - Current bifurcation

(Rs. in Lakhs)

Particulars	2018-19	2017-18
	Gratuity	Gratuity
Current Benefit Obligation	12.16	35.72
Non-Current Benefit Obligation	41.34	-

v. Expense recognised in the statement of financial position for the year

(Rs. in Lakhs)

Particulars	2018-19	2017-18
	Gratuity	Gratuity
Current Service Cost	6.91	4.13
Interest cost on Obligation	2.60	2.79
Net Actuarial (Gain) / Loss recognised in the year	8.39	(7.37)
Net Cost Included in Personnel Expenses	17.90	(0.46)

vi. Maturity profile of defined benefit obligation

(Rs. in Lakhs)

Particulars	2018-19	2017-18
Within the next 12 months	11.53	10.44
between 2 to 5 Years	13.06	6.83
between 6 to 10 Years	36.20	105.32

vii. Actuarial Assumptions used for estimating defined benefit obligations

(Rs. in Lakhs)

Particulars	2018-19	2017-18
Discount Rate	7.75% P.A.	7.50% P.A.
Salary Escalation Rate	6.50% P.A.	6.50% P.A.
Expected Return on Plan Assets	-	-
Mortality Rate	IALM (2006-08)	IALM (2006-08)
Withdrawal Rate	1.00%	1.00%
The Weighted Average Duration of the Plan	13 Years	14 years
No. of Employees	98	33
Average Age	36	43
Total Salary (Rs. in Lakhs)	184.19	95.04
Average Salary (Rs. in Lakhs)	15.35	7.92
Average Service	5 Years	12.21 Years
Accrued Benefit	53.50	39.08
Actuarial Liability	46.57	35.72

Consolidated Notes to the Financial Statements
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Notes:
1. Salary escalation rate is arrived after taking into account regular increments, price inflation and promotion and other relevant factors such as supply and demand in employment market.
2. Discount rate is based on prevailing market yields of Indian Government Securities as at balance sheet date for estimated term of obligations.
3. Attrition rate/ withdrawal rate is based on Company's policy towards retention of employees, historical data and industry outlook.
4. The above information is certified by actuary.

viii. Sensitivity analysis:

Increase/ (decrease) on present value of defined benefits obligations at the end of the year: (Rs. in Lakhs)

Particulars	Change in assumption	Effect on Gratuity obligation	
		2018-19	2017-18
Discount rate	+1%	48.65	32.82
	-1%	59.20	39.08
Salary Escalation rate	+1%	59.22	39.08
	-1%	48.56	32.77

These gratuity plan typically expose the Company to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

Investment Risk:
The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. For other defined benefit plans, the discount rate is determined by reference to market yield at the end of reporting period on high quality corporate bonds when there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit.

Interest risk
A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan debt investments.

Longevity risk
The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk
The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

C) Unfunded Schemes – Earned Leaves

(Rs.in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Present value of unfunded obligations	6.55	1.80
Expenses recognised in the statement of profit and loss	(0.70)	(0.87)
In Other comprehensive income		
Actuarial (Gain) / Loss-Plan liabilities	-	-
Actuarial (Gain) / Loss Return On Plan Assets	-	-
Net (Income)/ Expense For the period Recognized in OCI	-	-
Discount rate (per annum)	7.75%	7.50%
Salary escalation rate (per annum)	6.50%	6.50%

Consolidated Notes to the Financial Statements
For year ended 31st March 2019

Note 33 - Segment Reporting

The Group is mainly engaged in the development and operations of Pharmaceutical business. Accordingly, the Company has only one identifiable segment reportable under Ind AS 108 - Operating Segments.

Managing Director (the 'Chief Operational Decision Maker' as defined in Ind AS 108) monitors the operating results of the company's business for the purpose of making decisions about resource allocation and performance assessment.

The revenues from transactions with a single customer exceeding 10 per cent or more of the company's revenues were stated below:

Party Name	Country	Amount (Rs. In Lakhs)
Pharmaceuticals Fund and Supply Agency	Ethiopia	326.69
Cameg	Burkina Faso	122.40
Grand Total		**449.09**

Note 34 - Related Party Disclosures

In view of the IND AS 24 "Related Parties Disclosures", the disclosure in respect of related party transactions for the year ended on 31st March 2019 is as under:

RELATIONSHIPS	
CategoryI : Key Managerial Personnel	
Key Person	Designation
Mukund Prataprai Mehta	Chairman & Managing Director
Bhavin Mukund Mehta	Whole -time Director
Mira Bhavin Mehta	Whole -time Director

Category II: Enterprises over which Key Managerial Personnel are able to exercise significant control
NBZ Healthcare LLP.
Arham Neeta Realties LLP
Kilitch Pharma (Co.) Ltd.

(Rs. In Lakhs)

	TRANSACTIONS	Category I	Category II
1	Purchases	-	306.98 (11.5)
2	Sales	-	116.67 (7.02)
3	Director's Remuneration and Sitting Fees	168.00 (148.00)	-
4	Advance/Loan Given to Parties	-	1134.87 (62.88)
5	Advance Returned By Parties	-	937.41 (29.88)
6	Reimbursement of Expenses [Net]	20.91 (155.08)	-
7	Issue of Shares and Warrants	708.00 (531.00)	-

Consolidated Notes to the Financial Statements
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The following balances were due from / to the related parties as on 31 - 03 - 2019

Sr.No.	TRANSACTIONS	Category I	Category II
1	Borrowings	9.70 (9.70)	- 49.94 (33.90)

Note: Figures in brackets indicates previous year figure.

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.
Review of outstanding balances is undertaken each financial year through examining the financial position of the related party and the market in which related party operates. These balances are unsecured and their settlement occurs through banking channel.

Compensation of key management personnel:
The remuneration of director and other member of key management personnel during the year was as follows:

(Rs. In Lakh)

Particulars	2018-19	2017-18
Short-term benefits	168.00	148.00
Other long term benefits	-	-

Note 35 - Earning per Share (EPS)

Basic as well as Diluted EPS	2018-19	2017-18
Net Profit after Tax (Rs. in Lakhs)	382.98	515.24
Weighted Average No. of Equity Shares for Basic EPS (No. In Lakhs)	146.76	132.36
Weighted Average No. of Equity Shares for Diluted EPS	146.76	140.82
Nominal Value of Equity Shares (Rs.)	10	10
Basic Earning Per Share (Rs .)	2.61	3.89
Diluted Earning Per Share (Rs .)	2.61	3.66

Note 36 - Contingent liabilities not provided for in Respect of:

a) Disputed Statutory Dues in respect of Income Tax aggregating to Rs. 503.66 Lakhs (P.Y. Rs. 503.66 Lakhs) pertaining to A.Y. 2008-09 have not yet been deposited as the aforesaid matter in pending before CIT (Appeals).The impact thereof, if any, on the tax position can be ascertained only after the disposal of the appeals. Accordingly, the accounting entries arising there from will be passed in the year of the disposal of the said appeals.

b) Demand notices received on account of Property Tax pertaining to FY 2018-19 is aggregating Rs. 53.20 Lakhs (P.Y. Rs. 45.73 Lakhs) are disputed by the Company. The Company has filed a suit and the matter is pending the Supreme Court and Company has not yet deposited any amount in this regard.

c) Demand notices received on account of principal amount of CESS during FY 2018-19 pertaining to FY 1999-2000 and FY 2000-2001 is aggregating Rs.22.85 Lakhs (P.Y. Rs.22.85 Lakhs) are disputed by the Company. The Company has filed a suit and the matter is pending the Supreme Court and Company has not yet deposited any amount in this regard.

The above litigations are not expected to have any material adverse effect on the financial position of the company.

Consolidated Notes to the Financial Statements
For year ended 31st March 2019

Note 37 -Auditors' Remuneration:

Particulars	2018-19 (Rs. In Lakhs)	2017-18 (Rs. In Lakhs)
Audit fees	15.00	7.50
Other Professional Fees	7.50	-
Total	**22.50**	**7.50**

Note 38– Subsidiary Companies Considered in these consolidated Financial Statements

Sr. No.	Particulars	Country of Incorporation	Proportion of Ownership FY 2018-19	Proportion of Ownership FY 2017-18
1	Monarchy Healthserve Private Limited	India	100%	100%
2	Kilitch Estro Biotech PLC	Ethiopia	67%	67%

Note 39 – Impairment of Assets

The Company's Board, out of abundant caution and as a prudent practice in line with the standard accounting practices has not made any impairment provision against its investments for the financial year 2018-19.

Note 40 – Third Party Balance Confirmation

The balances in respect of Trade Receivables & Payables, loans and advances, as appearing in the books of accounts are subject to confirmations by the respective parties and adjustments/reconciliation arising there from, if any.

Note 41 – Investment in Limited Liability Partnership

The Company is a partner in a partnership firm M/s. Arham Neeta Realties LLP. The accounts of the partnership firm have been finalized up to the financial year 2018-19. The details of the Capital Accounts of the Partners as per the latest Financial Statements of the firm are as under:

(Rs. in Lakhs)

Sl. No.	Name of the Partners	Profit Sharing Ratio	Total Capital on 31st March 2019	Total Capital on 31st March 2018
1	Kilitch Drugs (India) Limited	65%	2246.73	2246.34
2	Mukund Mehta	15%	(1.99)	(2.07)
3	Bhavin Mehta	15%	(1.99)	(2.07)
4	Mira Mehta	2.5%	(1.93)	(1.95)
5	Neeta Mehta	2.5%	(1.93)	(1.95)

The Company has accounted for its share of loss amounting to Rs. 0.27 Lakhs (P.Y. Rs. 0.24 Lakhs) pertaining to Financial Year 18-19.

Note 42 - Event after Reporting Date:

The Board of Directors have recommended dividend of Re. 0.50 per fully paid up equity share of Rs. 10 /- each, aggregating an amount of Rs. 92.56 lakhs, including Rs. 15.79 lakhs towards dividend distribution tax for the financial year 2018-19, which is based on relevant share capital as on 31st March, 2019. The actual dividend amount will be dependent on the relevant share capital outstanding as on the record date/book closure.

Consolidated Notes to the Financial Statements

For year ended 31st March 2019

Note 43 - Corporate Social Responsibility:

The company is required to comply the requirements of CSR as per Section 135 of the Companies Act, 2013 read with Schedule VII. Accordingly the company has spent an amount of Rs. 2.74 Lakhs during the Financial Year 2018-19.

Note 44 - Additional information as required under section 186 (4) of the Companies Act, 2013:

a. No Investments made in any Body Corporate except its subsidiaries.

b. No Guarantees were given by the Company.

c. No Loans or advances were given by the company to any Body Corporate or Persons:

Note 45 - Investment in Associates

The Group does not have any associates companies. The company's interest in associate is accounted using the equity method in the consolidated financial statements.

Note 46 - Details required as per schedule III of the Companies Act 2013 as below

Details of Net Assets and Share in Profit and Loss Account

(Rs. In Lakhs)

Particulars	Net Assets (Total Assets less Total Liabilities)		Share in Profit and Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of Consolidated Profit	Amount	As % of Consolidated Profit	Amount	As % of Consolidated Profit	Amount
Monarchy Healthserve Private Limited	45.06%	2,360.44	-24.49%	-93.78	-	-	-	-
Kilitch Estro Biotech PLC	40.02%	2,096.27	-	-	-	-	-	-

Note 47 - Fair value of financial assets and liabilities:

Set out below is the comparison by class of carrying amounts and fair value of Company's financial instruments that are recognised in the financial statements.

Particulars	As at 31st March 2019		As at 31st March 2018	
	Carrying Value (Rs. In Lakhs)	Fair Value (Rs. In Lakhs)	Carrying Value (Rs. In Lakhs)	Fair Value (Rs. In Lakhs)
Financial assets designated at fair value through Other Comprehensive Income				
Investments				
in Equity shares	173.76	173.76	302.97	302.97
in Bonds	81.47	81.47	53.24	53.24
in Mutual Funds	2,841.62	2,841.62	3,029.34	3,029.34
Financial assets designated at amortised cost				
Investments				
Capital Investment in Partnership Firm	2,246.73	2,246.73	2,246.34	2,246.34
Trade Receivables	1,943.59	1,943.59	2,069.49	2,069.49
Cash and Cash Equivalents	794.01	794.01	477.26	477.26
Loans and Advances	34.26	34.26	21.54	21.54
Other financial assets	56.00	56.00	136.99	136.99
Total	**8171.44**	**8171.44**	**8,337.17**	**8,337.17**
Financial liabilities designated atamortised cost				
Borrowings- Fixed rate	945.41	945.41	92.17	92.17
Trade payables and others	434.63	434.63	771.55	771.55
Other financial liabilities	68.50	68.50	81.42	81.42
Total	**1448.54**	**1448.54**	**945.14**	**945.14**

Consolidated Notes to the Financial Statements

For year ended 31st March 2019

Fair valuation techniques:

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The following methods and assumptions were used to estimate the fair values

- Fair value of the Equity Shares are based on price quoted on stock exchange.
- Fair value of investment in unquoted equity shares are considered same as carrying value as the same are recently acquired.
- Fair value of Financial Assets & Financial Liability (except which are show at their fair value) are carried at amortised cost is not materially different from its carrying cost.

Fair Value hierarchy:

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 3 as described below:

Level 1: Quoted prices / published NAV (unadjusted) in active markets for identical assets or liabilities. It includes fair value of financial instruments traded in active markets and are based on quoted market prices at the balance sheet date.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). Fair value of the financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the company specific estimates. If all significant inputs required to fair value an instrument are observable then instrument is included in level 2

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Purchases	As at 31st March 2019			As at 31st March 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets /Liabilities measured at fair Value						
Investments						
- in Equity shares	173.76	-	-	302.97	-	-
- in Bonds	81.47	-	-	53.24	-	-
-in Mutual Funds	2,841.62	-	-	3,029.34	-	-

Note 48 - Financial Risk management:

The Company's activities expose it to credit risk, liquidity risk and market risk. This note explains the sources of risks which the entity is exposed to and how it mitigates that risk.

Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings and investments in securities.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign exchange risk through purchases of goods or services from overseas supplier in foreign currency.

The Company generally transacts in US dollar. The foreign exchange rate exposure is balanced by purchasing of goods or services in the respective currency.

The Company is exposed to insignificant foreign exchange risk as at the respective reporting dates.

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For year ended 31st March 2019

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company is not exposed to interest rate risk as the Company has fixed rate of borrowings as at the respective reporting dates.

Commodity and Other price risk

The Company is not exposed to the commodity and other price risk.

Credit Risk
Credit risk is the risk of financial loss to the Company that a customer or counter party to a financial instrument fails to meet its obligations. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, mutual funds, financial institutions and other financial instruments.

Trade and other receivables
The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. To manage credit risk, the Company periodically assesses the financial reliability of the customer, taking into account the financial condition, current economic trends, and analysis of historical bad debts and aging of accounts receivables. Outstanding customer receivables are regularly monitored to make an assessment of recoverability. Receivables are provided as doubtful / written off, when there is no reasonable expectation of recovery. Where receivables have been provided / written off, the Company continues regular follow-up, engage with the customers, legal options / any other remedies available with the objective of recovering these outstanding.

The Company is not exposed to concentration of credit risk to any one single customer since services are provided to vast spectrum and hence, the concentration of risk with respect to trade receivables is low. The Company also takes security deposits, advances, post-dated cheques etc. from its customers, which mitigate the credit risk to an extent.

Cash and cash equivalents another investments
The Company is exposed to counter party risk relating to medium term deposits with banks and investment in mutual funds. The Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances and deposits are maintained. Generally, the balances are maintained with the institutions with which the Company has also availed borrowings.

Exposure to credit risk
The gross carrying amount of financial assets, net of impairment losses recognised represents the maximum credit exposure.
The maximum exposure to credit risk as at 31st March 2019 and 31st March 2018 is as follows:

Particulars	As at 31st March 2019	As at 31st March 2018
Financial assets for which loss allowances is measured using 12 months		
Expected Credit Losses (ECL):		
Other Investments	-	-
Cash and cash equivalents	794.01	136.99
Loans	34.26	21.54
Other financial assets	56.00	78.97
Financial assets for which loss allowances is measured using Life time		
Expected Credit Losses (ECL):		
Trade receivables	1,943.59	2,069.49

Consolidated Notes to the Financial Statements
For year ended 31st March 2019

Life time Expected credit loss for Trade receivables under simplified approach

Aging of Trade Receivables	Past Due						Total
	0-120 days	120-150 days	150-180 days	180-365 days	365-730 Days	Greater than 730 days	
As at 31st March 2019							
Gross Carrying Amount	1,448.02	29.39	75.57	433.71	38.93	173.44	2,199.06
Expected credit losses (Loss allowance provision)	-	(0.59)	(8.78)	(83.23)	(19.99)	(142.88)	-255.47
Net Carrying Amount	**1,448.02**	**28.80**	**66.79**	**350.48**	**18.94**	**30.56**	**1,943.59**
As at 31st March 2018							
Gross Carrying Amount	1,350.21	62.32	46.78	110.82	294.32	586.57	2,451.03
Expected credit losses (Loss allowance provision)	-	-1.25	-2.34	-11.08	-73.58	-293.29	-381.53
Net Carrying Amount	**1,350.21**	**61.08**	**44.44**	**99.74**	**220.74**	**293.29**	**2,069.49**

Reconciliation of Changes in the life time expected credit loss allowance:

Particulars	2018-19	2017-18
Loss allowance on 1 April 2018	381.53	421.25
Provided during the year	-	-
Reversal of provision	-126.06	-39.72
Loss allowance on 31st March 2019	255.47	381.53

Cash and Cash equivalent, other Investment, Loans and other financial assets are neither past due nor impaired. Management is of view that these financial assets are considered good and 12 months ECL is not provided.

Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company relies on a mix of borrowings, capital infusion and excess operating cash flows to meet its needs for funds. The current borrowings are sufficient to meet its short to medium term expansion needs. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows. The Company is required to maintain ratios (such as debt service coverage ratio and secured coverage ratio) as mentioned in the loan agreements at specified levels and also cash deposits with banks to mitigate the risk of default in repayments. In the event of any failure to meet these covenants , these loans become callable to the extent of failure at the option of lenders, except where exemption is provided by lender.

Particulars	As at 31st March 2019					
	Carrying Amount	On Demand	Less than 12 months	2-5 years	>5 years	Total
Borrowings	945.41	945.41				945.41
Other Financial Liabilities	88.07	88.07				88.07
Trade and other payables	434.63	434.63				434.63

Consolidated Notes to the Financial Statements
For year ended 31st March 2019

Particulars	As at 31st March 2018					
	Carrying Amount	On Demand	Less than 12 months	2-5 years	>5 years	Total
Borrowings	92.17	92.17				92.17
Other Financial Liabilities	119.32	119.32				119.32
Trade and other payables	771.55	771.55				771.55

Capital management

The primary objective of the Company's capital management is to maximize the shareholder value. The Company's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Company's ability to continue as a going concern in order to support its business and provide maximum returns for shareholders.

The Company also proposes to maintain an optimal capital structure to reduce the cost of capital. No changes were made in the objectives, policies or processes during the year ended 31st March 2019 and 31st March 2018.

For the purpose of the Company's capital management, capital includes issued capital, share premium and all other equity reserves. Net debt includes, interest bearing loans and borrowings, trade and other payables less cash and short term deposits.

Particulars	As at 31st March 2019	As at 31st March 2018
Loans and Borrowings	935.71	82.47
Less: Cash and cash equivalents + Bank Deposits	794.01	477.26
Net Debt	151.40	-385.1
Total Capital	12,105.73	11,202.73
Capital+ Net Debt	12,257.13	10,818
Gearing Ratio	0.01	-

Note 49 - Taxation

Income tax related to items charged or credited to profit or loss during the year:

A. Statement of Profit or Loss		(Rs. In Lakhs)
Particulars	**2018 - 19**	**2017 - 18**
1. Current Income Tax (Net of MAT Credit)	424.08	33.48
2. Deferred Tax expenses/ (benefits):		
Relating to originationand reversal of temporary differences	51.60	62.55
Total Income tax Expenses (1 to 2)	**475.68**	**96.03**
B. Reconciliation of Current Tax expenses:		(Rs. In Lakhs)
Particulars	**2018 - 19**	**2017 - 18**
Profit /(Loss) from Continuing operations	858.66	611.27
Applicable Tax Rate	25.00%	25.00%
Computed tax expenses	214.67	152.82
Income not allowed/exempt for tax purposes	11.27	-21.47
Expenses not allowed for tax purposes	136.09	-7.88
Other temporary allowances	-37.98	-152.15
Tax paid at lower rate	22.51	15.64
Additional Tax payable due to MAT provisions	77.52	46.52
	424.08	**33.48**

Consolidated Notes to the Financial Statements
For year ended 31st March 2019

Deferred Tax Recognised in statement of profit and Loss relates to the following:		(Rs. In Lakhs)
Particulars	2018 - 19	2017 - 18
Difference between book and Tax depreciation	4.12	-2.08
Expenses allowable on payment basis	47.48	64.63
Deferred Tax Liabilities/ (Asset)	**51.60**	**62.55**
Reconciliation of deferred tax liabilities/(asset) net:		(Rs. In Lakhs)
Particulars	2018 - 19	2017 - 18
Opening balance as on 1st April	155.18	245.25
Tax expenses / (income) during the period	(51.60)	(62.55)
(+/-) On Account of Consolidation	-	(27.52)
Closing balance as on 31st March	**103.57**	**155.18**

Note 50 – Share Based Payments and Arrangements

As per the ESOS, 2007 as amended from time to time the outstanding ESOPs which can be exercised by our employees at Rs. 10 each (Face Value Rs. 10/ share). Detailed analysis of the same has been enumerated below:

Sl. No.	Particulars of Options / Scheme	Total
1	Outstanding as at beginning of the Period	153,930
2	Granted during the Period	48,529
3	Forfeited/Cancelled/Lapsed during the Period	17,291
4	Exercised and allotted during the Period	23,414
5	Outstanding as at the end of the Period	161,754

Note 51 - The previous year figures have been regrouped, reworked, rearranged and reclassified, wherever necessary and are to be read in relation to the amounts and other disclosures relating to the current year.

As per our report of even date

For A. M. Ghelani & Company
Chartered Accountants
FRN:103173W

Ajit M. Ghelani
Partner
M. No. 012576

Mumbai
Dated: 30th May 2019

For and on behalf of the Board of Directors
Kilitch Drugs India Limited

Mukund P. Mehta
(Managing Director)

Bhavin M. Mehta
(Whole-time Director)

Sujit Kumar Dash
Chief Financial Officer

Harshal Anant Patil
(Company Secretary)

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 27TH ANNUAL GENERAL MEETING OF THE MEMBERS OF KILITCH DRUGS (INDIA) LIMITED WILL BE HELD AT C-301/2, MIDC, TTC INDUSTRIAL AREA, PAWANE VILLAGE, NAVI MUMBAI-400705, MAHARASHTRA, INDIA, ON MONDAY, THE 30TH DAY OF SEPTEMBER, 2019 AT 09:00 A.M.TO TRANSACT THE FOLLOWING BUSINESSES:

ORDINARY BUSINESS:

1. TO CONSIDER AND ADOPT FINANCIAL STATEMENT:-

To consider and adopt the audited financial statements (including the consolidated financial statements) of the Company for the financial year ended 31ST March, 2019 and the reports of the Board of Directors ('the Board') and Auditors thereon.

2. TO CONSIDER DECLARATION OF DIVIDEND:-

To declare a final dividend of Re. 00.50 per equity share of face value of Rs.10/- each for financial year 2018-19.

3. TO APPOINT A DIRECTOR LIABLE TO RETIRE BY ROTATION:-

To appoint a Director in place of Mr. Bhavin Mehta (DIN:00147895), who retires by rotation and being eligible, offers himself for re-appointment.

4. TO RATIFY APPOINTMENT OF M/S A.M. GHELANI & CO. CHARTERED ACCOUNTANTS (FRN:103173W) AS A AUDITORS OF THE COMPANY AND TO FIX THEIR REMUNERATION:-

"RESOLVED THAT pursuant to Section 139 and 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or Re-enactment(s) thereof for time being in force), pursuant to the recommendations of the audit committee of the Board and pursuant to the resolution passed by the members at the AGM held on 29th September 2017, the appointment of M/s. A. M. Ghelani & Co. Chartered Accountants (FRN:103173W) as the statutory auditors of the Company, to hold office till the conclusion of the 29th Annual General Meeting to be held in financial year 2021, is hereby ratified for the financial year 2019-20 and the Board of Directors be and are hereby authorized to fix such remuneration payable to them plus applicable taxes and reimbursement of out of pocket expenses incurred by them, for the financial year 2019-20 as may be determined by the audit committee in consultation with the auditors and Board of Directors."

SPECIAL BUSINESS:

1. TO CONSIDER AND IF THOUGHT FIT TO PASS WITH OR WITHOUT MODIFICATION(S) THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION:

"RESOLVED THAT in accordance with the provisions of Sections 196, 197, 203, Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and also subject to approval of the Central Government, if required, the Company hereby accords its approval to the re-appointment of Mrs. Mira Mehta [DIN: 01902831] as Whole-time Director of the Company for a further period of five years w.e.f. 14th November, 2018 as per existing terms and conditions including terms of remuneration as set out in the explanatory statement attached hereto and forming part of this notice with a liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment so as the total remuneration payable to her shall not exceed the limits specified in Schedule V to the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof, for the time being in force and as agreed by and between the Board of Directors and Mrs. Mira Mehta without any further reference to the Company in General Meeting.

RESOLVED FURTHER THAT notwithstanding anything contained to the contrary in the Companies Act, 2013, wherein any financial year the Company has no profits or has inadequate profit, Mrs. Mira Mehta will be paid minimum remuneration as stated in the Explanatory Statement or such remuneration as may be approved by the Board within the ceiling prescribed under Schedule V of the Companies Act, 2013 or any modification or re-enactment thereof at relevant time.

RESOLVED FURTHER THAT in the event of any statutory amendment or modification by the Central Government to Schedule V to the Companies Act, 2013, the Board of Directors be and are hereby authorized to vary and alter the terms of re-appointment including salary, commission, perquisites, allowances etc. payable to Mrs. Mira Mehta within such prescribed limit or ceiling and as agreed by and between the Company and Mrs. Mira Mehta without any further reference to the Company in General Meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary to give effect to this Resolution."

6. TO CONSIDER AND IF THOUGHT FIT TO PASS WITH OR WITHOUT MODIFICATION(S) THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION:-

"RESOLVED THAT pursuant to applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 and other applicable provisions of the Companies Act, 2013 and relevant Rules made there under, including any statutory modification(s) or re-enactment thereof, for the time being in force, consent of the members of the Company be and is hereby accorded for continuation of Mr. V. S. Rajan (DIN:00059146) who has already attained age of 75 years to continue as an Independent Non-Executive Director of the Company till the expiry of his existing term ie. upto 27th June, 2023."

For & on behalf of Board of Directors of
Kilitch Drugs (India) Limited

Sd/-
Mukund Mehta
Managing Director
[DIN: 00147876]

Place: Mumbai
Date: 22nd August, 2019

Registered Office:
C-301/2, M.I.D.C. TTC Industrial Area,
Pawane Village, Navi Mumbai - 400 705

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

   The proxy form should be lodged with the Company at its Registered Office at least 48 hours before the commencement of the Meeting.

   A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. A proxy shall not have a right to speak at the AGM and shall not be entitled to vote except on poll.

3. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 24th September, 2019 to Monday, 30th September, 2019 (both days inclusive).

4. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

5. Members who hold shares in electronic form are requested to write their Client ID and DP ID number and those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the meeting to facilitate identification of membership at the AGM.

6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.

7. For convenience of members, an attendance slip, proxy form and the route map of the venue of the Meeting are annexed hereto. Members are requested to affix their signature at the space provided and hand over the attendance slips at the place of meeting. The proxy of a member should mark on the

attendance slip as `proxy'.

8. Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 for items of Special Businesses is annexed herewith.

9. All documents referred to in the Notice are open for inspection at the Registered Office of the Company during office hours on all days except Sunday & public holidays between 11.00 a.m. and 1.00 p.m. up to the date of Annual General Meeting.

10. The Annual Report for 2018-19, the Notice of the 27th AGM and instructions for e-voting, along with the Attendance slip and Proxy form, are being sent by electronic mode to all the members whose email address are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by permitted mode.

11. If the members have any queries on the audited accounts, director's report & auditor's report, the same should be forwarded to the company in writing at its registered office at least 10 days before the meeting so that the same can be replied at the time of annual general meeting to the members' satisfaction.

12. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by members.

13. The Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.

14. Additional information, pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of the directors seeking appointment/re-appointment at the AGM, is furnished as Annexure to the Notice. The directors have furnished consent / declaration for their appointment / re-appointment as required under the Companies Act, 2013 and the Rules there-under.

15. The Company is providing facility for voting by electronic means (e-voting) through an electronic voting system which will include remote e-voting as prescribed by the Companies (Management and Administration) Rules, 2014 as presently in force and the business set out in the Notice will be transacted through such voting.

16. Members holding shares in the same set of names under different ledger folios are requested to apply for consolidation of such folios along with share certificates to the Company.

17. Members are requested to promptly notify any changes in their addresses to the Company at its Registered Office.

18. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Income Tax Permanent Account Number ("PAN") by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or its Registrar and Share Transfer Agents.

19. In order to exercise strict control over the transfer documents, members are requested to send the transfer documents/ correspondence, if any, directly to:

UNIT: KILITCH DRUGS (INDIA) LIMITED
C/o. Link Intime India Private Limited
Registrar & Share Transfer Agent
C 101, 247 Park, L.B.S.Marg,
Vikhroli (West), Mumbai - 400083.
Tel: 022- 49186000; Fax: 022-49186060

Instructions for Voting through electronics means:

In compliance with Regulation 44, SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015, the Company is pleased to provide members facility to exercise their right to vote at the 27th Annual General Meeting (AGM) by electronic means ("e-Voting") and the items of business as detailed in this Notice may be transacted through e-voting services provided by National Securities Depository Limited (NSDL).

The Members may cast their votes through E-voting from a place other than the venue of the AGM **("Remote E-voting").**

The Members who have cast their vote by Remote E-voting may also attend the Meeting but shall not be entitled to cast their vote again.

The Remote E-voting facility will commence from **9.00 a.m. On Thursday, 26th September, 2019 and will end at 5.00 p.m. on Sunday, 29th September, 2019.** Remote E-voting will not be allowed beyond the aforesaid date and time and the Remote E-voting module shall be disabled by NSDL upon expiry of aforesaid period.

Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Member / beneficial owner as on the **cut-off date i.e. Monday , 23rd September, 2019.**

The Members, whose names appear in the Register of Members / list of beneficial owners as on the cut-off date i.e. **Monday , 23rd September, 2019** only shall be entitled to vote on the Resolutions set out in this Notice.

The Board of Directors at their meeting held on 22nd August, 2019 has appointed Mr. Deep Shukla, Practicing Company Secretary (Membership No. FCS 5652) as the Scrutinizer to scrutinize the E-voting process and voting done through physical ballot paper at the AGM in a fair and transparent manner.

The Scrutinizer shall after scrutinizing the votes cast at the AGM and through Remote E-voting, not later than forty eight hours pursuant to Reg. 44 of SEBI (LODR), 2015, from the conclusion of the AGM, make a consolidated Scrutinizer's report and submit the same to the Chairman/ Managing Director.

The results declared along with the Scrutinizer's Report shall be placed on the website of the Company http://www.kilitch.com and on the website of NSDL and shall also be communicated to BSE Limited and NSE Limited.

Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the AGM i.e. Monday, 30th September, 2019.

The instructions for e-voting are as under:

The voting period begins on **Thursday, 26th September, 2019 (09:00 a.m.) and ends on Sunday, 29th September, 2019 (5:00 p.m.).** During this period shareholders' of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date **Monday, 23rd September, 2019,** may cast their vote electronically.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.
   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. **Your password details are given below:**

a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

(I) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

<u>How to cast your vote electronically on NSDL e-Voting system?</u>

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

3. Select "EVEN" of company for which you wish to cast your vote.

4. Now you are ready for e-Voting as the Voting page opens.

5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

6. Upon confirmation, the message "Vote cast successfully" will be displayed.

7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to deepsoffice@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request atevoting@nsdl.co.in

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No.5:-

At the Annual General Meeting of the Company held on 30th September, 2014, the Members of the Company had approved the appointment and terms of remuneration of Mrs. Mira Mehta (DIN: 01902831), Whole Time Director of the Company for a period of 5 years w.e.f. 14th November, 2013.

Based on the recommendation of the Nomination and Remuneration Committee and keeping in view of her relevant experience, the Board of Directors of the Company at its meeting held on 7th November, 2018, has re-appointed her as a Whole Time Director for a further period of 5 years w.e.f. 14th November, 2018, subject to approval of the members of the Company.

The terms and condition of her re-appointment are as under:

Period of appointment: 5 (five) year i.e. commencing from 14th November, 2018 and ending 13th November, 2023.

Remuneration:

1. Basic Salary: INR 2,00,000/- (Indian Rupees Two Lakhs only) per month, with such increment(s) as may be decided by the Nomination and Remuneration Committee from time to time in accordance with the HR policy of the Company;

2. She shall be entitled to the perquisites, benefits, and allowance as may be decided by Board and / or Nomination and Remuneration Committee from time to time;

3.In addition to above, she shall be entitled for Company's contribution to Provident Fund, leave encashment and payment of gratuity as per the HR Policy of the Company;

4. Overall Remuneration:

The aggregate of salary, together with perquisites, allowance, benefits and amenities payable to Mrs. Mira Mehta in any financial year shall not exceed the limits prescribed from time to time under section 196, 197 of the Act read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) and enactment(s) thereof for the time being in force);

5. Mrs. Mira Mehta shall not be entitled to any sitting fees for attending meetings of the Board or Committees thereof;

6. The perquisites shall be valued in terms of actual expenditure incurred by the Company and shall be evaluated wherever applicable as per Income Tax Act, 1961 or rules made thereunder and any modification thereof.

The above may be treated as a written memorandum setting out the terms of re-appointment of Mrs. Mira Mehta under Section 190 of the Act. Details of Mrs. Mira Mehta are provided in the "Annexure" to the Notice.

Except, Mrs. Mira Mehta (being herself), Mr. Bhavin Mehta (Being Spouse) and Mr. Mukund Mehta (Being Father-in Law), no other Director of the Company may be deemed to be concerned or interested in passing of said resolution.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in this

The Board recommends the Ordinary resolution set out at Item No. 5 of the Notice for approval by the members.

Item No.6:-

As per applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 vide circular dated 9th may 2018, which requires continuance of any Non-Executive Director who has attained the age of 75 years, is to be approved by the shareholders by way of a Special Resolution. Whereas, Mr. V. S. Rajan (DIN:00059146), Independent Non-Executive Director of the Company has joined the Board of Directors of the Company on 28th June 2018. Pursuant to Section 149 (11) of the Companies Act, 2013, he was appointed as an Independent Non-Executive Director to hold office for five consecutive years for a term upto 27th June, 2023, by the Members of the Company in the Annual General Meeting held on 27th September 2018. Though Mr. V. S. Rajan can holds office under the erstwhile resolution, since he has attained the age of 75 years, pursuant to SEBI (LODR) (Amendment) Regulations, 2018 , requires special resolution for continuance of Mr. V. S. Rajan as an Independent Non executive Director upto 27th June, 2023.

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors has approved the continuance of Mr. V. S. Rajan as an Independent Non-Executive Director, subject to the approval of shareholders.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. V. S. Rajan as an Independent Non-Executive Director.

The Board recommends the passing of the resolution as set out at item no. 6 of the accompanying notice as Special resolution.
Except Mr. V. S. Rajan being an appointee, none of the Directors of the Company, nor the Key Managerial Personnel of the Company nor their respective relatives are in any way concerned or interested, financially or otherwise in this Resolution.

For & on behalf of Board of Directors of
Kilitch Drugs (India) Limited

Sd/-
Mukund Mehta
Managing Director
[DIN: 00147876]

Place: Mumbai
Date: 22nd August, 2019

Registered Office:
C-301/2, M.I.D.C. TTC Industrial Area,
Pawane Village, Navi Mumbai: 400 705

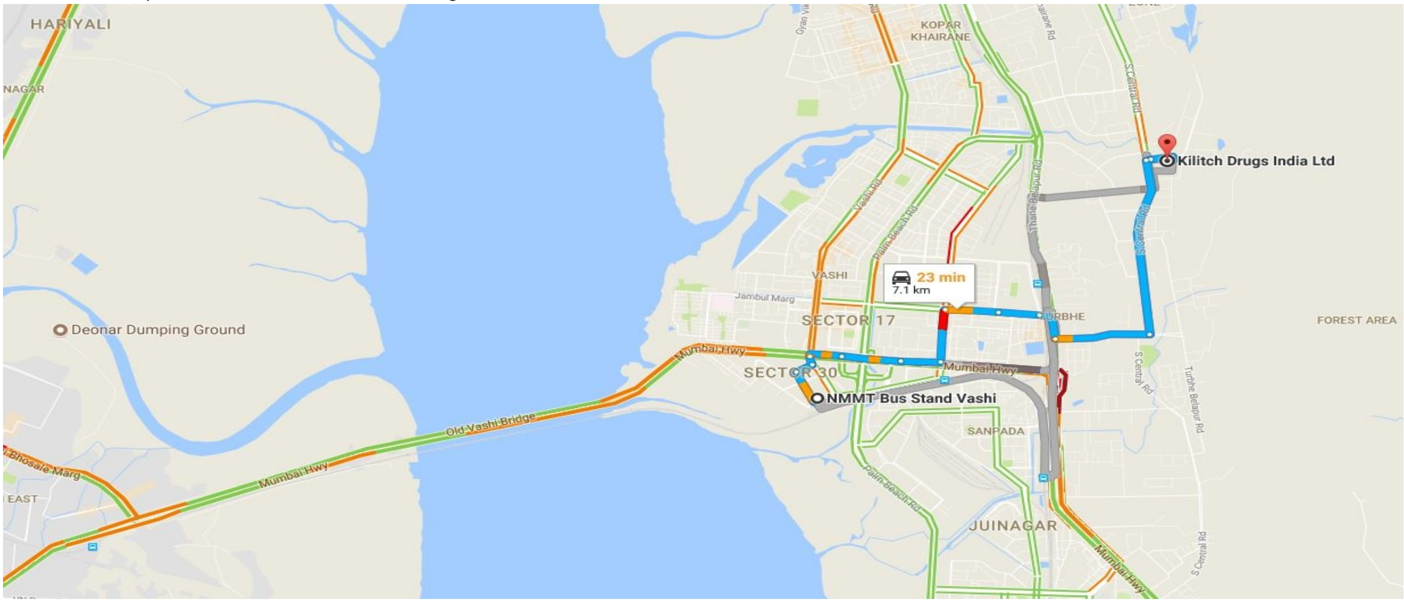
Annexure to Notice

Details of Directors seeking appointment/re-appointment at the Annual General Meeting

[In pursuance of Clause 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015]

Sr. No.	Particulars	Mr. Bhavin Mehta	Mrs. Mira Mehta	Mr.Venkita Subramanian Rajan
(a)	A brief resume of the director;	B. Pharm	B. Com.	B. Sc.(Physics), PG in Business Management, Masters in Marketing, Executive Programme (Stanford University)
(b)	Nature of his expertise in specific functional areas;	Vast experience of 18 years in pharmaceutical industry and having good command over export markets.	11 years of experience in Pharmaceutical industry	Huge experience of more than 41 years in all areas of Management.
(c)	Disclosure of relationships between directors inter-se;	Son of Mr. Mukund Mehta Spouse of Mrs. Mira Mehta	Spouse of Mr. Bhavin Mehta Daughter-in-law of Mr. Mukund Mehta,	NIL
(d)	Names of listed entities in which the person also holds the directorship and the membership of Committees of the board; [Other than Kilitch Drugs (I) Ltd]; and	NIL	NIL	NIL
(e)	Shareholding of Director.	1153300	NIL	NIL

The route map of the Venue of the AGM is given herein below.



27th Annual General Meeting
KILITCH DRUGS (INDIA) LIMITED
[CIN : L24239MH1992PLC066718]
Registered office: C-301/2, M.I.D.C. TTC Industrial Area, Pawane Village,
Navi Mumbai: 400 705, Maharashtra, India.
Phone: 022 27680913 Fax: 022 27680912
Website www.kilitch.com; email: info@kilitch.com

Form No. MGT-11
FORM OF PROXY

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of Member(s)	:	Email Id	:
Registered Address	:	Folio No.	:
	:	*DP Id.	:
No. of Shares held	:	*Client Id.	:

* Applicable for investors holding shares in electronic form.

I/We, being a member(s) of ____________ shares of Kilitch Drugs (India) Limited hereby appoint:

1. Mr./Mrs. ____________________ Email Id:____________________
   Address : ____________________
   ____________________ Signature:____________________

2. Mr./Mrs. ____________________ Email Id:____________________
   Address : ____________________
   ____________________ Signature:____________________

3. Mr./Mrs. ____________________ Email Id:____________________
   Address : ____________________
   ____________________ Signature:____________________

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 27th Annual General Meeting of the Company to be held on Monday, 30th September 2019 at 9.00 a.m. at C-301/2, M.I.D.C. TTC Industrial Area, Pawane Village, Navi Mumbai: 400 705, Maharashtra, India and at any adjournment thereof in respect of such resolutions as are indicated below:

** I wish my above Proxy to vote in the manner as indicated in the box below:

Sr. No.	Resolutions	Number of Shares held	For	Against
Ordinary Business				
1.	To Adopt Standalone and Consolidated Audited Financial Statements for the financial year ended 31st March 2019 and reports of the Board of Directors and the Auditors thereon;			
2.	To Consider Declaration Of Dividend;			
3.	Re-appointment of Mr. Bhavin Mehta, who retires by rotation and being eligible, offers himself for reappointment;			
4.	To ratify the appointment of Auditors of the company, and to fix their remuneration;			
Special Business				
5.	To Approve the re-appointment of Mrs. Mira Mehta (DIN:01902831) being Whole-time Director;			
6.	To Approve for continuation of current term of Mr. V. S. Rajan, (DIN:00059146) as an Independent Non- Executive Director;			

** This is optional. Please put a tick mark (x) in the appropriate column against the resolutions indicated in the box. If a member leaves the "For" or "Against" column blank against any or all of the Resolutions, the proxy will be entitled to vote in the manner he/ she thinks appropriate. If a member wishes to abstain from voting on particular resolution, he/she should write "Abstain" across the boxes against the Resolution.

Signature(s) of the Member(s)

Affix One rupee Revenue Stamp

1.________________________________
2.________________________________
3.________________________________

Signed this ________day of_________2019

Notes:
1. The Proxy to be effective should be deposited at the registered office of the company not less than Forty Eight (48) Hours before commencement of the meeting.
2. A proxy need not be a member of the company.
3. In the case of the Joint holders, the vote of the senior who tenders vote, whether in person or by Proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of the Members.
4. The form of proxy confers authority to demand or join in demanding a poll.
5. The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.
6. In case a member wishes his/her votes to be used differently, he/she should indicate the number of shares under the columns "For" or "Against as appropriate.

TEAR HERE

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TEAR HERE

27th Annual General Meeting

KILITCH DRUGS (INDIA) LIMITED

[CIN : L24239MH1992PLC066718]

Registered office : C-301/2, M.I.D.C. TTC Industrial Area, Pawane Village,
Navi Mumbai: 400 705, Maharashtra, India.
Phone: 022 27680913 Fax: 022 27680912
Website www.kilitch.com; email: info@kilitch.com

Attendance Slip

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Date	Venue	Time
30th September , 2019	C-301/2, M.I.D.C. TTC Industrial Area, Pawane Village, Navi Mumbai: 400 705, Mahar ashtra, India.	9.00 A.M.(IST)

Folio No. ____________________*DP ID No. _______________ *Client ID No. __________________

Name of the Member Mr./Mrs. _______________________________ Signature____________

Name of the Proxy holder Mr./Mrs. ____________________________Signature _______________

* Applicable for investors holding shares in electronic form.

I certify that I am the registered shareholder/proxy for the registered shareholder of the Company.

I hereby record my presence at the 27th Annual General Meeting of the Company held on **Monday , 30th September 2019 at 9:00 a.m.** at C-301/2, M.I.D.C. TTC Industrial Area, Pawane Village, Navi Mumbai: 400 705, Maharashtra, India.

____

Signature of the Member/ Proxy

Note: Electronic copy of the Annual Report for the financial year 2018 - 2019 and Notice of the 27 th Annual General Meeting with the Attendance slip and Proxy form is being sent to all the members whose email id is registered with the Company/ Depository Participant unless any member has been requested for a hard copy of the same. Shareholders receiving electronic copy and attending the 27 th Annual General Meeting can print copy of this Attendance Slip.

Physical copy of the Annual Report for the financial year 2018 - 2019 and Notice of the 27 th Annual General Meeting along with the Attendance Slip and Proxy Form is sent in the permitted mode(s) to all members whose email Id is not registered or has requested for hard copy.

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KILITCH DRUGS (INDIA) LTD.

Registered Office:
C-301/2, MIDC, TTC Industrial Area, Pawane Village, Navi Mumbai - 400 705.
Tel.: 022-27670322, 27680913 | **Fax:** 022-27680912

www.kilitch.com